92-488

No. _____

Supreme Court, U.S.
FILED
SEP 17 1992
OFFICE OF THE CLERK

In The

Supreme Court of the United States

October Term, 1992

SANDRA SEEFELD,

Petitioner,

versus

CLAIRE OLSEN, wife of/and GUY T. FLANNERY; MARGE PEARSON; CENTURY 21 REAL ESTATE CORPORATION; DON SMART AND ASSOCIATES, INC.; CENTURY 21 PARKER-MAY ASSOCIATES, INC.; WALDON M. HINGLE, ABC INSURANCE CO.; XYZ INSURANCE CO.; CDE INSURANCE CO.,

Respondents.

Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Fifth Circuit

APPENDIX VOLUME II TO PETITION FOR WRIT OF CERTIORARI

James F. Quaid
5008 Folse Drive
Metairie, Louisiana 70006
504-455-4440
Attorney for Petitioner

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

SANDRA SEEFELD	CIVIL ACTION
VERSUS	NO. 88-5540
CLAIRE OLSEN, wife of/and GUY T. FLANNERY; MARGE PEARSON; CENTURY 21 REAL ESTATE CORPORATION; DON SMART AND ASSOCIATES, INC.; CENTURY 21 PARKER-MAY ASSOCIATES, INC.; WALDON B. HINGLE, ABC INSURANCE CO.; XYZ INSURANCE CO.; CDE INSURANCE CO.	SECTION "J"

JUDGMENT

(Filed Aug. 28, 1991)

Considering the Court's Order and Reasons enter on this day,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that there be judgment in favor of the defendants, Claire Olsen, Guy Flannery, Marge Pearson, Century 21 Real Estate Corporation, Century 21 South central States, Don Smart and Associates, Inc., Century 21 Parker-May Associates, Inc. and Waldon B. Hingle, and against plaintiff, Sandra Seefeld, **DISMISSING** plaintiff's claims against them, without prejudice to plaintiff's right to reurge her state law claims in the appropriate court. Each party is to bear their own costs.

New Orleans, Louisiana, this 28th day of August, 1991.

/s/ Patrick E. Carr
UNITED STATES DISTRICT
JUDGE

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

SANDRA SEEFELD	CIVIL ACTION
VERSUS	NO. 88-5540
CLAIRE OLSEN, wife of/and GUY T. FLANNERY; MARGE PEARSON; CENTURY 21 REAL ESTATE CORPORATION; DON SMART AND ASSOCIATES, INC.; CENTURY 21 PARKER-MAY ASSOCIATES, INC.; WALDEN B. HINGLE, ABC INSURANCE CO.; XYZ INSURANCE CO.; CDE INSURANCE CO.	SECTION "J"

AMENDED JUDGMENT

(Filed Sep. 10, 1991)

It has been brought to the Court's attention that the Judgment of August 28, 1991, in the above captioned matter inadvertently omitted the name Libby Bentson. Accordingly the Court's Order of August 28, 1991 is hereby amended to read,

Considering the Court's Order and Reasons entered on this day,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that there be judgment in favor of the defendants, Claire Olsen, Guy Flannery, Marge Pearson, Century 21 Real Estate Corporation, Century 21 South Central States, Don Smart and Associates, Inc., Century 21 Parker-May Associates, Inc., Waldon B. Hingle and

Libby Bentson, and against plaintiff, Sandra Seefeld, **DISMISSING** plaintiff's claims against them, without prejudice to plaintiff's right to reurge her state law claims in the appropriate court. Each party is to bear their own costs.

New Orleans, Louisiana, this 9th day of September, 1991.

/s/ Patrick E. Carr
UNITED STATES
DISTRICT JUDGE

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

SANDRA SEEFELD, Plaintiff	*	CIVIL ACTION
versus	*	NO. 88-5540
CLAIRE OLSEN, wife of/and GUY T. FLANNERY; MARGE PEARSON; CENTURY 21 REAL ESTATE CORPORATION; DON SMART AND ASSOCIATES, INC.; CENTURY 21 PARKER-MAY ASSOCIATES, INC.; WALDON M. HINGLE, ABC INSURANCE CO.; XYZ INSURANCE CO.; CDE INSURANCE CO. Defendants	*	SECTION "J" MAG.DIV. 4

****

MOTION TO RECONSIDER

On motion of Plaintiff in this matter and upon suggesting to the Court that the Orders of this Court dated August 28, 1991, granting Defendant's, Century 21 Real Estate Corporation (hereinafter simply "C 21 REC".; Claire Olsen, wife of/and Guy T. Flannery; Libby Bentson; Century 21 Parker-May & Associates, Inc.; Motions for Summary Judgment and the dismissal of Defendant, Century 21 South Central States are erroneous and not in accordance with law for the following reasons:

1.

The Motion for Reconsideration is made in accordance with Fed. R. Civ. P. 60(b)(6).

2.

The Order dated August 28, 1991, is in conflict with the law and jurisprudence of the United States Court of Appeals, Fifth Circuit and the United States Supreme Court.

3.

The Order dated August 28, 1991, is premature and/or Plaintiff should have been granted leave to amend her petition and/or RICO Case Statement upon the completion of discovery.

4.

For the purposes of this Motion to Reconsider Plaintiff copies by reference all previous pleadings and documents filed by Plaintiff all as if copied herein in extenso.

JAMES F. QUAID, Professional
Law Corporation

Attorney for Plaintiff
LSBA No. 10915
P. O. Box 73295
Metairie, Louisiana 70033
504-455-4440

Certificate

I hereby certify that I have mailed a copy of the attached captioned pleading, postage prepaid or by hand delivery, to all counsel of record this 10th day of September, 1991.

JAMES F. QUAID

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

SANDRA SEEFELD, Plaintiff	*	CIVIL ACTION
versus	*	NO. 88-5540
CLAIRE OLSEN, wife of/and GUY T. FLANNERY; MARGE PEARSON; CENTURY 21 REAL ESTATE CORPORATION; DON SMART AND ASSOCIATES, INC.; CENTURY 21 PARKER-MAY ASSOCIATES, INC.; WALDON M. HINGLE, ABC INSURANCE CO.; XYZ INSURANCE CO.; CDE INSURANCE CO. Defendants	*	SECTION "J" MAG.DIV. 4

****

MEMORANDUM IN SUPPORT
OF MOTION TO RECONSIDER

MAY IT PLEASE THE COURT:

Plaintiff suggest to the Court that various alternatives are present that would have allowed the Court to come to an alternative conclusion as to Defendants' , Century 21 Real Estate Corporation (hereinafter simply "C 21 REC"; Claire Olsen, wife of/and Guy T. Flannery; Libby Bentson; Century 21 Parker-May & Associates, Inc.; Motions for Summary Judgment and the dismissal of Defendant, Century 21 South Central States.

The Court has never had an opportunity to examine the volumes of evidence in Plaintiff's possession which she attempted to file on July 8, 1991, Document No. 120 and the Court denied. An examination of these previously submitted documents by category in Plaintiff's Affidavit and Statement of Material Facts reflect ***relevant evidence*** [emphasis supplied] as defined under the provisions of Fed. R. Evid. 401, detailed Exhibits fifty-six in number supporting Plaintiff's position which this Court failed to allow to be filed. Again Plaintiff reurges this Court to allow the filling of these Exhibits as ***relevant evidence*** [emphasis supplied] in order to allow this Court to come to the proper legal conclusion after a review of all the evidence available.

1.

The Enterprise Element

Sedema, S.P.R,L. v. Imrex, 105 S.Ct. 3275 makes clear that private plaintiffs may bring RICO actions under the

full panoply of civil and criminal wrongs listed by Congress. Two such wrongs are mail fraud and wire fraud. The racketeering activity, as defined by the statute, is not the false advertising per se. It is the wire and mail fraud committed in furtherance of the false advertising. The false advertising is the direct result of the racketeering activity; because the advertising generates the income, the income indirectly arises from the racketeering activity. The statute, after all, refers to "income derived, directly or indirectly, form a pattern of racketeering activity." Consequently, the fact that Plaintiff may have relied upon the advertisements to her detriment does not vitiate her RICO claim. If the advertisements were paid for in part with funds derived from the wire and mail fraud, the enterprise would fall within the statute.

Plaintiff thus need only allege that the use of funds derived from the racketeering activity harmed her. We may assume that Defendant, C 21 REC, paid for its advertising, and Defendant, C 21 REC, as "Trustee" for the NAF, paid for its advertising, its use of the mails, and its use of the wires. Since Plaintiff pled that Defendant, C 21 REC, derived income from gross revenues on land sales, (and as "Trustee" for the NAF derived income from gross revenues on land sales) and that Plaintiff relied upon the advertising, the casual links are quite complete.

> While it is true that the plaintiff's state law claims depend on their direct reliance upon the advertisements, this reliance does not affect her RICO claim. First, it has long been established that plaintiff's may plead in the alternative without prejudicing any of their counts, even if the alternative pleas are incongruous. Second, the claims are not in fact incongruous. *Bauder v.*

Ralston Purina Co., No. 89-6513 (E.D. Pa. Nov. 21, 1989) (1989 WL 143283 E.D. Pa.); and *Alstate Ins. Co. V. James*, 779 F. 2d 1536 1540-41 (5th Cir. 1986).

2.

The National Advertising Fund

Defendant, C 21 REC, states individual Brokers and Regional Franchisors pay for advertising directly to the NAF; therefore, funds received from advertising resulting in land sales and profits that in turn pay for the advertising repeats the same scenario above for Defendants, Century 21 of Texas, Inc.; Century 21 South Central States, Inc.; Century 21 Don Smart and Associates, Inc.; Century 21 Parker-May and Associates, Inc. and any other Century 21 franchisee as indicated in the "Pattern of Racketeering Activity Chart", former Exhibit A, now D. This may include Century 21 SEI Realty and Century 21 Slidell Realty as indicated.

3.

Defendant, C 21 REC, and the court accept as fact its statement, it is a separate and distinct entity from the Subfranchisor, franchisee/broker, and agents; as well as the "franchising and advertising package" it sells. It also states it is separate and distinct from the NAF, in which it is "Trustee" for the advertising. Then, Defendant, C 21 REC, qualifies as the RICO Enterprise, and it is the ***Goal*** [emphasis supplied] of the "Pattern of Racketeering Activity" to receive 6% income for the advertising scheme, through land sales transactions.

4.

Defendant, C 21 REC, maintains interest in and control of the NAF as "Trustee". Then the NAF is the ***tool*** [emphasis supplied] (Advertising), used to carry out the "Pattern of Racketeering Activity" to receive 2% income from the advertising scheme, through land sales transactions.

5.

Defendant, C 21 REC, has proved it is the NAF, The National Advertising Fund, that is the ***nexus*** [emphasis supplied] between the Enterprise and the RICO defendants; that it is a "separate and distinct entity-ENTERPRISE" from the "Pattern of Racketeering Activity" in which it engages as a ***principle*** [emphasis supplied] participant; and, they have no franchisees and/or brokers and agents; so they are therefore separate and distinct from the individual "Pattern of Racketeering Activity" in which they engage in land sales transactions.

6.

To avoid responsibility and liability for their wire, TV air waves, mail fraud and false advertising, Defendant, C 21 REC, has set up ***the perfect rico enterprise*** [emphasis supplied].

7.

Defendant, C 21 REC, has admitted in its deposition,

Q. The National Advertising Fund, how much has it spent in the last ten years in advertising, print, audio, video?

A. Anywhere from twenty to $35 million annually.

Q. Annually?

A. Yes. p. 63 11. 6-11.

Defendant, C21REC, and the NAF has spent millions on mail, wire, TV air waves, and print advertising yearly. This satisfies proof of predicates as stated in *Bauder* and *Alstate, supra*. This states predicates on the part of each RICO defendant involved as an aider and abettor to the ***primary*** [emphasis supplied] RICO Enterprise, or corporate officer/owner through the Century 21 System. Participation is an agreement to participate as a ***principle*** [emphasis supplied] in the predicate acts of mail and wire fraud and false advertising through the NAF and association with the RICO Enterprise, Defendant, C 21 REC. Defendant, C 21 REC, maintains interest in and control of the NAF and both entities receive income from the advertising; consistent with being the ***goal*** [emphasis supplied] and ***tool*** [emphasis supplied] of the pattern of racketeering activity. *Bernard v. Hoff*, 727 F. Supp.211 (D. Md. 1989).

8.

Aiding and Abetting

Because the predicate acts in this case consist of wire, TV air waves, mail fraud through false advertising schemes, aiding and abetting can be established by proving: (1) predicate acts of mailing false advertising or wire violations; (2) that the aider and abettor had a general awareness of its role in a advertising scheme and

knowingly rendered substantial assistance in the violation, 18 U.S.C.§1962(c). So long as the aider and abettor was also not the ***enterprise*** [emphasis supplied]. Herein we have the ***enterprise*** [emphasis supplied] and Defendant, C 21 REC, under 18 U.S.C.§1962(a) for receipt of funds from the pattern of racketeering activity. Defendant, C 21 REC, is a separate and distinct entity, NAF, and National Advertising Fund Management Committee, (See Plaintiff's Amended Affidavit, Pg. 6, Use and Investment of Funds) under 18 U.S.C.§1962(c), as an aider and abettor i.e. "Trustee" that Defendant, C 21 REC, should not escape liability when it's policies foster the racketeering activity that is at the heart of RICO's prohibitions. *Abell v. Potomac Ins. Co.*, 858 F.2d 1104 (5th Cir. 1988).

The Fifth Circuit requires significant participation on the part of a defendant that is not the enterprise. The NAF, National Advertising Fund Committee, is a separate entity from the ***enterprise*** [emphasis supplied], Defendant, C 21 REC. The defendants participating in the NAF and Century 21 System are hereinabove covered for proof of predicates related to the advertising scheme. They are not employees or agents of the ***enterprise*** [emphasis supplied], Defendant, C 21 REC.

The remaining Defendants under 18 U.S.C.§1962(c), Waldon M. Hingle, Claire Flannery, Guy Flannery, Libby Bentson and Margaret Pearson had general awareness of their role in the advertising, violation and furthered and completed the schemes. Plaintiff has met the higher pleading standards through Defendant's; C 21 REC, primary status as the ***RICO Enterprise*** [emphasis supplied] in receipt of racketeering funds, and the NAF in receipt of racketeering funds, both reinvested back into adverting

which injured Plaintiff in her business and property, 18 U.S.C.§1964(c).

9.

Notice of Mistake

In addition to the aforementioned predicates taken as fact, the Defendants have repeatedly referred to only the Amended Rico Case Statement in claiming lack of predicate acts by the aider and abettor Defendants. Plaintiff has sufficient predicates of mail and wire of the primary Defendant, C 21 REC, however, the aider and abettor is also cast with these predicates as fact. The Rico Case Statement itself on p. 1-5 described all Defendant's predicate acts in connection with the advertising and particularly p. 6, ¶5(a). The key words in the Rico Case Statement are false advertising, overvaluation, schemes and listings. The weekly submitted MLS mailings are also predicates. In addition, the rejected documents attached to Plaintiff's Affidavit, filed July 8, 1991, (Document No. 120) detailed numerous mailings and predicates of all individual Defendants, and indicate a mistake in the Rico Case Statement; the date in ¶5(a)(xiii) should have been March 22, 1984. This typing error accounts for Plaintiff's failure to recognize the closing documents and numerous mailings by Waldon M. Hingle between 1984, January through March 22nd, as indicated in the request for production by Mr. Hingle. The attachment documents further outlined all additional predicate acts through 1988. In Plaintiff's Amended Affidavit, p. 23-26, the mistake and other overt and predicate acts are outlined from depositions, interrogatories and production of file. The

mistake is caught on p. 38 from the affidavit and Item No.2, wherein the statement itself, the acknowledgement and the March 22, 1984, date are not compatible and reflect two mailings in the sentence. Further, the independently mailed acknowledgement, in itself then notes closing documents and other mailings to be separate; the March 22, 1984, date (not April 22, 1984) shows an insurance document and letter, also the acknowledgement would have been ineffective after 15 days of closing February 29, 1984. It states in Defendant's, Margaret Pearson, handwriting a message, "They are having this signed today & will mail you a copy – Marge".

10.

A RICO Cause of Action

RICO, 18 U.S.C.§§1961-1968, was aimed at preventing organized crime from infiltrating legitimate businesses. A private right of action, was added to refrain from applicability to "organized crime" due to the constitutional implications of criminalizing "status" instead of "conduct". Plaintiff has stated a RICO cause of action in the RICO Case Statement and this is a suit for predicate acts of mail, wire, air waves, and false advertising schemes against Defendant, C 21 REC, where the RICO Defendants are aiders and abettors.

11.

Plaintiff to avoid confusion, prepared exhibits charting factual data as it related to RICO and applying analytical investigation methods and advanced techniques for

complex criminal activities. The Summary and Key, originally Exhibit A, now D, is (A Pattern of Racketeering Activity Chart) created from documents in the two boxes offered to the Court. The Activity Chart outlines fourteen schemes of which Scheme Fourteen is the predicate acts of mail and wire fraud by Defendant, C 21 REC. To further clarify the RICO Enterprise as Defendant, C 21 REC, a RICO Enterprise Flow Chart was provided to the Court and further defined in Plaintiff's Amended Affidavit, p. 5-16, (Rico Enterprise Flow Chart Prohibited Activities). The pages are clarifying the flow chart and directly relate to the detailed Pattern of Racketeering Activity Chart. Plaintiff's Affidavit adequately addresses her injury under 18 U.S.C.§1964(c). Association Link Charts are for Schemes 1, 2 and 3 showing Plaintiff is the victim of a completed scheme and two additional attempts by the same parties over a ten year period. Documents supplied the Court in support of her affidavit are relevant to all Defendants in support of false advertising, overvaluation, pattern in sales and suits and threat of continuity. The content of the attachments and separate boxes are summarized herewith including outlining footnotes indicating why these are relevant attachments to the Affidavit. The boxes are the depositions of Plaintiff and Defendants, and exhibits under oath. They were not Plaintiff's business records; however, some items were in support of 18 U.S.C.§1962(c) required when filing a RICO cause of action against Defendant, C 21 REC, in violation of 18 U.S.C.§1962(a).

12.

18 U.S.C.§1964(c)

Plaintiff has stated in her affidavit what her business is, p. 1-14 and further reflected losses in "Summary of Actual Damages" which have accelerated since preparation of same.

The Court has mistakenly assumed the fact that a dation by Plaintiff has taken place when another Defendant herein is counter-claiming a deficiency judgment and subsequently collection of an illegal debt.

Once discovery of fraud, Dec. 17, 1987, took place, Plaintiff refused to ratify the contract based on fraud by continuing to make payments or accept benefits, if any, from the property. Plaintiff filed RICO charges in bankruptcy due to the discovery of wrongdoing. The sequence of events and reports to the authorities by Plaintiff bear out the true facts. The bankruptcy was not necessary and dismissed. All of these issues and relocation represent business losses.

13.

Fraud on The Court

Counsel for Defendant, Flannery, stated he would supply the Sheriff's sale appraisal by going to the deputy, when in fact he knowingly had the same appraisal done himself for his client and it is not a Sheriff's appraisal in the amount of $93,000.00. Proof of same is evident that Plaintiff did not file an appraisal and the Sheriff's deputy included two by request. Plaintiff approached attorney for Defendant Flannery, years ago and talked to him from

his own office for the same information and he supplied an incorrect appraiser name. The Sheriff's deputy told Plaintiff Mr. Hand did his own appraisal for Mr. Flannery. Mr. Flannery stated in his deposition, Mr. Hand provided the appraisal. As an officer of the court, Mr. Hand has blatantly stated in deposition and status meetings, he would supply this information and the IRS liquidation documents which are still not forthcoming.

Defendant, C 21 REC, has proved Plaintiff's case from its own advertising pen. Below are some prime examples of how Defendant, C 21 REC, produced the ad campaigns when translated in the field by Defendants, Marge Pearson, Don Smart, Libby Bentson, Deborah May and Pam Parker because something completely different and in fact was fraudulently used by these Defendants.

14.

Advertising

Century 21 Real Estate Corporation says it best in explaining its intention in creating the advertising of which it is responsible for the predicate acts of mail and wire, TV air wave for false and misleading advertising upon the public. The following are quotes from Defendant's, C 21 REC, Internal World News Roundup,

YOU ARE THE KEY TO THE NEW AD CAMPAIGN!

> CENTURY 21 will announce to the public who the top real estate professional in their neighborhood is . . . and that's YOU!

. . . The powerful new campaign zeros in on the professional services and neighborhood know-how of YOU, the CENTURY 21 salesperson, showing your clients that YOU are the real estate professional best qualified to get their selling job done.

. . . Millions of dollars are being spent to pre-sell "you", and "you" can multiply the impact of the campaign by taking the same message into your seller's homes.

. . . We want the public to know who the top real estate professionals are in your area. And that's YOU . . . the CENTURY 21 salesperson.

. . . An attractive AD/PAC has been developed to help "you" and your broker focus your local advertising on the Neighborhood Professional theme. All of the mass media advertising, your local advertising and your personal contact should be geared to capitalize on this powerful new campaign.

. . . You'll get the maximum benefits out of the campaign by using the suggestions in the Sales Action Aid material. The Home Buyer's Kit which complements the campaign is a dramatic new aid to help increase walk-in traffic and help you get more listings. The Kit contains numerous buyer tips on what to look for in a home, moving, checklists, a list of ways to finance property, and several "Aye and Nay" sheets.

Ray Townsend, President of Advertising Management, explained that the theme "Neighborhood Professional" was based on research that

showed home buyers and sellers want a salesperson working for them who knows the neighborhood they live in, knows the local market, and can provide the most professional services. You are the Neighborhood Professional. The advertising road is paved for "you". Now it's up to you to get the business that's waiting for the Pro . . . YOU! ©1977 By Century 21 Real Estate Corporation, *World News Roundup*, Vol. 4, No. 4, May 1977.

BIRTH OF AN AD CAMPAIGN

. . . "We are the Neighborhood Professionals." What a simple and powerful message! Here's how it was selected: primary marketing research (focus groups, telephone samplings, intercompany communications, etc.) and secondary information (statistics, marketing studies in real estate, other sources) were gathered. That information showed that the consumer is interested in an organization that is national (international), with all the benefits of size, including referrals, respected name and image, ability to attract buyers, etc.

The other primary concern of the consumer is that the salesperson that he deals with on a one-to-one basis is well trained, aggressive, personable and so forth. In one word . . . professional.

Secondary research also showed that the consumer wants a sales person to have a firsthand knowledge of the immediate area . . . or neighborhood specialization. So throughout the U.S. and Canada, we're telling the consumer that the CENTURY 21 salesperson is a professional . . . a Neighborhood Professional.

The campaign begins in mid-May in some 130 markets across North America. More than 300 TV stations and 150 radio stations will be featuring the 30/10 second TV spots and 60 sec. radio ads. The campaign runs from May until Sept. 1.

This multi-million-dollar campaign depends on you! It's designed to help you get more listings and increase your sales.

The final message of the ads is SOLD! We're saying, "The CENTURY 21 Neighborhood Professionals can sell your home fast when you call. us." ©1977 By Century 21 Real Estate Corporation, *World News Roundup*, Vol. 4, No. 4, May 1977.

THE PROSPECTS ARE COMING
THE PROSPECTS ARE COMING
AND SO ARE THE LISTINGS!

Another bullet has been added to the CENTURY 21 Sales Action Arsenal-the Home Buyer's Kit. And it's destined to become one of the most effect prospect-generating sales tools in the CENTURY 21 arsenal. The Buyer's Kit was developed specifically for CENTURY 21 brokers and sales people to help increase the flow of walk-in traffic in their offices, and to get more listings.

The kit is an information-packed brochure which complements the new Neighborhood Professional advertising campaign, and will be offered free to the public by participating CENTURY 21 affiliated offices in the U.S. and Canada throughout the summer. It will then remain a part of the CENTURY 21 sales action tools.

The Home Buyer's Kit contains numerous tips on what buyers should look for in a new home,

moving checklists, information on financing and several "Aye & Nay" checklists. In addition to the obvious benefits of the brochure in attracting new prospects and qualifying and selling buyers, the Home Buyer's Kit should prove to be a powerful listing tool. It can be used as another dramatic visual example of how CENTURY 21 attracts buyers.©1977 By Century 21 Real Estate Corporation, *World News Roundup*, Vol. 4, No. 4, May 1977.

NEW COMMERCIALS GENERATE GOOD TEST AUDIENCE REACTION

Reaction from test groups on the CENTURY 21 television commercials has been both enthusiastic and positive.

The commercials, part of the Second Wave of advertising, were designed to show CENTURY 21 as an organization of hard working, professional salespeople, and comments from the test group indicate that these ideas come through clearly.

"Getting to Know You" stresses that CENTURY 21 salespeople get to know a house thoroughly so they can sell it better. The ad features a CENTURY 21 representative visiting with a mother and daughter and taking notes on all the special details of the house. Test participants felt the ad was warm and friendly, and they agreed that CENTURY 21 would provide fast buyers because of the agent's efficiency and thoroughness.

"Top Salesman" emphasizes the training it takes to become a Neighborhood Professional and the high quality service provided with CENTURY

> 21. Test audiences, after viewing this commercial, felt that CENTURY 21 agent's took the time to learn their profession and were committed to hard work. They also like the home setting which showed the agent as a family person.
>
> The Second Wave, which kicks off August 1 across North America, was created to increase listings and to assure the public that CENTURY 21 is a familiar and trusted organization. The spirited response from test groups points to a great push from the Second Wave. ©1979 By Century 21 Real Estate Corporation, *World News Roundup*, Vol. 6, No. 6.

Reviewing these ad campaigns and the lack of any supervision of Defendants' brokers and agents by Defendant, C 21 REC, reflect the careless disregard of the truth being enforced by Defendant, C 21 REC.

15.

RICO ENTERPRISE FLOW CHART
PROHIBITED ACTIVITIES
18 U.S.C. §§1962(a-c;d) 1964c

CENTURY 21 REAL ESTATE CORPORATION

Section 18 U.S.C. §1962(a-c) the RICO Enterprise maybe both the Enterprise and the Defendant. Defendant, C 21 REC, (a) RICO Enterprise, and Defendant, C 21 REC, as "Trustee" , 18 U.S.C. §1962(c) through the National Advertising Fund, (NAF); is employed by, and associated with the RICO Enterprise engaged in activities of which affect interstate and foreign commerce; and, participating directly, in the conduct of such enterprise's affairs through the (NAF); mail, TV communication, and wire

fraud related to an overall scheme to raise profits in land sales transactions by false and misleading advertising and a separate and distinct "Pattern of Racketeering Activity. all as more fully as set forth in the Charts attached and copied herein in extenso.

16.

18 U.S.C. §1962(a)

Defendant, C 21 REC, the ***RICO Enterprise*** [emphasis supplied], has received a portion of the 6% income derived from the gross revenues earned on Plaintiff's land sales transaction; directly from a pattern of racketeering.

17.

18 U.S.C. §1962(c)

Defendant, C 21 REC, as "Trustee" Defendant, through the National Advertising Fund, (NAF), has received a portion of the 2% income derived from the gross revenues earned on Plaintiff's land sales transaction, directly from a pattern of racketeering.

18.

Use and Investment of Funds

Defendant, C 21 REC, the ***Rico Enterprise*** [emphasis supplied], has participated within the meaning of 18 U.S.C. §2 to use and invest, directly a portion of such income in the operation of Century 21 Real Estate Corporation, which is engaged in the sale of franchises, Century

21 System Services, products and advertising which affects interstate and foreign commerce.

Defendant, C 21 REC, as "Trustee" Defendant, through the National Advertising Fund, (NAF) has participated within the meaning of 18 U.S.C. §2 to use and invest, (Century 21 International and Century 21 Regional shall be entitled to reimburse themselves for reasonable accounting, collection, bookkeeping, reporting and legal expenses incurred with respect to the NAF) and (The authority to make disbursements from the fund is granted through a National Advertising Fund Management Committee within Century 21 Real Estate Corporation, see Franchise Agreement) directly a portion of such income in the operation of Century21 Real Estate Corporation, National Advertising Fund Management Committee, and the NAF which is engaged in advertising Century 21 System services, products, training, advertising and sale of franchises which affects interstate and foreign commerce.

19.

Scheme

Defendant, C 21 REC, the ***RICO Enterprise*** [emphasis supplied], has reinvested funds derived, directly from predicate acts of false statements, misrepresentations and omissions and/or concealment of material facts, mail TV communication and wire fraud related to an overall scheme to raise profits in land sale transactions through false and misleading advertising, and a separate and distinct pattern of racketeering activity. Defendant, C 21 REC, qualifies as the RICO enterprise 18 U.S.C. §19-62(a)

and its is the *goal* [emphasis supplied] of the "Pattern of Racketeering Activity" to receive 6% income from the same advertising scheme through land sales transactions.

Defendant, C 21 REC, as "Trustee" Defendant, through the National Advertising Fund, (NAF) i.e. ***National Advertising Fund Management Committee*** [emphasis supplied], and Century 21 ***National Advertising Fund Counsel*** [emphasis supplied] has reinvested funds derived, directly from predicate acts of false statements, misrepresentations and omissions and/or concealment of material facts, mail TV communications and wire fraud related to an overall scheme to raise profits in land sale transactions through false and misleading advertising, and a separate and distinct pattern of racketeering activity.

Defendant, C 21 REC, maintains interest in and control of the NAF as "Trustee", The NAF is the ***tool*** [emphasis supplied] (Advertising), used to carry out the "Pattern of Racketeering Activity" receives 2% income from the same advertising scheme through land sales transactions.

20.

Separate and Distinct
"Pattern of Racketeering Activity"
18. U.S.C. §1962(c)

Century 21 of Texas, Inc. (Century 21 South Central States, Inc.), Defendants, have associated with the RICO Enterprise and has participated directly in the conduct of the Enterprise's affairs through the National Advertising Fund, (NAF) and National Advertising Fund Counsel,

and Defendant, C 21 REC, and mailed a portion of the 2% and a portion of the 6% of gross revenues earned on Plaintiff's land sales transaction in the amount of $275,000.00, to the NAF and Century 21 International; funds derived directly from a pattern of racketeering activity of 1) Century 21 Don Smart and Associates, Inc., 2) Century 21 Parker-May and Associates, Inc., 3) Hingle and Associates, Inc., 4) Century 21 Real Estate Corporation, Defendant, and 5) as "Trustee" for NAF i.e. National Advertising Fund Management Committee.

Defendant, Century 21 of Texas, Inc., is associated with the original mailings, TV communications, and wire fraud of Century 21 Real Estate Corporation, further mailings in furtherance and completion of the overall scheme to raise profits in land sale transactions through false and misleading advertising, and specific intent to participate in the NAF.

21.

18 U.S.C. §1962(c)

Defendant, Century 21 Parker-May and Associates, Inc., has associated with the RICO Enterprise and participated directly in the conduct of the Enterprise's affairs through the National Advertising Fund, (NAF), and National Advertising Fund Counsel, Century 21 International Relocation Program (INRELO), and Century 21 of Texas, Inc. (Century 21 South Central States, Inc.) and mailed the 2% and 6% of gross revenues earned on Plaintiff's land sales transaction in the amount of $275,000.00 to Century 21 of Texas, Inc.,; funds derived, directly from a pattern of racketeering activity of 1) Defendants herein,

2) Century 21 Don Smart and Associates, Inc., 3) Agent, Libby Bentson, 4) Agent, Margaret Pearson, 5) Guy T. Flannery, 6) Century 21 Real Estate Corporation, Defendant, and 7) as "Trustee" for NAF i.e. National Advertising Fund Management Committee.

Century 21 Parker-May and Associates, Inc. is associated with the original mailings, TV communications, and wire fraud of Century 21 Real Estate Corporation, further mailings in furtherance and completion of the overall scheme to raise profits in land sale transactions through false and misleading advertising, and specific intent to participate in the NAF; further intent of schemes of Defendants herein to defraud and raise profits on property transactions through misrepresentations, overvaluation, contract fraud in land sales. The Broker received $8,250.00 from the land sale.

22.

18 U.S.C. §1962(c)

Century 21 Don Smart and Associates, Inc. and Donald R. Smart, Defendants, have associated with the RICO Enterprise and participated directly in the conduct of the Enterprise's affairs through the National Advertising Fund, (NAF), and National Advertising Fund Counsel, and Century 21 of Texas, Inc. (Century 21 South Central States, Inc.) and mailed the 2% and 6% of gross revenues earned on Sandra Seefeld's land sales transaction in the amount of $275,000.00 to Century 21 of Texas, Inc.; funds derived, directly from a pattern of racketeering activity of 1) Defendants herein, 2) Century 21 Parker-May and Associates, Inc., 3) Agent, Libby Bentson, 4)

Agent, Margaret Pearson, 5) Guy T. Flannery, 6) Century 21 Real Estate Corporation, Defendant, and 7) as "Trustee" for NAF i.e. National Advertising Fund Management Committee.

Donald R. Smart and Doug Smart through Century 21 Don Smart and Associates, Inc. have participated directly in the conduct of the Enterprise's affairs through Century 21 Securities Corporation and Cenguard Insurance Corporation, and further intent of schemes by Defendants herein to defraud and raise profits on property transactions through misrepresentations, overvaluation, use of federally funded financing, and flipping land sales. Century 21 Don Smart and Associates, Inc. is associated with the original mailings, TV communications, and wire fraud of Century 21 Real Estate Corporation, and mailings in furtherance and completion of the overall scheme to raise profits in land sale transactions through false and misleading advertising. The Broker received $8,250.00 from the land sale.

23.

18 U.S.C. §1962(c)

Century 21 Don Smart and Associates, Inc.; Agent, Margaret Pearson, Defendant is associated with the RICO Enterprise through the Broker and participated directly in the conduct of the Enterprise's affairs in a separate and distinct pattern of racketeering activity as a ***principle*** [emphasis supplied]. She derived funds directly from 3% commission of gross revenues earned on Plaintiff's land sales transaction in the amount of $8,250.00. She acted in consort with a pattern of activity of 1) Donald R. Smart,

2) Walden M Hingle, 3) Agent, Libby Bentson, 4) Broker, Pam Parker and Debra May, 5) Guy T. Flannery and "third-party" Jim Hulsey; and collected $5,000.00 earnest money from Smith.

Defendant, Margaret Pearson, is associated with the original mailings, TV communications, and wire fraud of Century 21 Real Estate Corporation, and participated in misrepresentations, false statements, omissions and/or concealment of material facts, further mailings associated with the act-of-sale and again the same predicate acts in the "resale" listing; in furtherance and completion of the overall scheme to raise profits in land sale transactions through false and misleading advertising, and other schemes of overvaluation in listings and "fair market value analysis".

24.

Century 21 Parker-May and Associates, Inc., Agent, Libby Bentson, Defendant, is associated with the RICO Enterprise through the Broker and participated directly in the conduct of the Enterprise's affairs in a separate and distinct pattern of racketeering activity as a ***principle*** [emphasis supplied] with Pam Parker and Debra May, personally. She derived funds directly from 3% commission of gross revenues earned on Plaintiff's land sales transaction in the amount of $8,250.00. She acted in consort with a pattern of activity of 1) Century 21 Don Smart and Associates, Inc., Donald R. Smart, 2) Waldon M. Hingle, 3) Pam Parker and Debra May, 4) Guy T. Flannery and "third-party" Jim Hulsey.

Libby Bentson is associated with the original mailings, TV communications, and wire fraud of Century 21 Real Estate Corporation, and participated in misrepresentations, false statements, omissions and/or concealment of material facts, further mailings associated with the act-of-sale and separate pattern of activity of Guy T. Flannery's and "third-party", Jim Hulsey's misrepresentations, false statements and concealment of material facts, set-up, fraud and overvaluation of property; each in furtherance and completion of the overall scheme to raise profits in land sales transactions through false and misleading advertising, and other schemes designed to overvalue property to raise profits; and collected $5,000.00 earnest money from Seefeld.

25.

18 U.S.C. §1962(c)

Claire Olsen, wife of/and Guy T. Flannery, Defendants, are associated with RICO Enterprise through both Brokers, Century 21 Don Smart and Associates, Inc. and Century 21 Parker-May and Associates, Inc., having had (3) listings with both agencies between 1982 and 1984. He participated as a *principle* [emphasis supplied] directly in the conduct of the Enterprise's affairs in a separate and distinct pattern of racketeering activity with "third-party", Jim Hulsey. Mr. and Mrs. Flannery derived funds directly from $55,000.00 down payment and $220,000.00 owner-financing scheme on Plaintiff's land sales transaction in the amount of $275,000.00. He acted in consort with 1) Century 21 Don Smart and Associates, Broker Don Smart, 2) Century 21 Parker-May and Associates,

Brokers' Pam Parker, Debra May, 3) Agent, Libby Bentson, 4) Agent, Margaret Pearson, 5) Waldon M. Hingle and 6) Jim Hulsey.

Guy T. Flannery, is associated with the original mailings, TV communications, and wire fraud of Century 21 Real Estate Corporation, through fraudulent listings with both Brokers, and participated in misrepresentations, false statements, omissions and/or concealment of material facts, further mailings associated with the act-of-sale, separate pattern of activity with "third-party" set-up, misrepresentations, phony offers, fraudulent listings, phony appraisals in furtherance and completion of the overall scheme to raise profits in land sale transactions through false and misleading advertising; and other schemes of overvaluation; in relisting, Federal Bankruptcy Court, Sheriff's Sale, resale and relistings. Mr. Flannery created a "Dog and Pony Show" distraction and participated in Century21 Parker-May and Associates, Inc. "The Bum's Rush" tactics. Mr. Flannery participated in a related pattern of racketeering activity involving contract fraud, interstate mailings and misrepresentations, and false statements of material facts in the nursery business resulting in final judgment against him. He also received $110,000.00 mortgage payments from Plaintiff.

26.

18 U.S.C. §1962(c)

Hingle and Associates, Inc., Waldon M. Hingle, Defendant, is associated with the RICO Enterprise and participated as a ***principle*** [emphasis supplied] directly in the conduct of the Enterprise's affairs. Mr. Hingle passed

acts-of-sales for both Century 21 Parker-May and Associates, Inc. and Century 21 Don Smart and Associates, Inc., being "on retainer" to the later both business wise and personal to Don Smart. A closing attorney is directed by Century 21 Franchise Agreement, Region # 114, to mail the 2% and 6% gross revenues earned on land sales transaction, immediately to Century 21 Regional or Century 21 International. Waldon M. Hingle received $5,150.00 earnest money deposit and $51,353.93 cashier's check, together representing the down payment and portion from which the 2% and 6% gross revenues earned on Plaintiff's land sales transaction in the amount of $275,000.00 was disbursed to Century 21 of Texas, Inc., Century 21 Real Estate Corporation, and as "Trustee", the National Advertising Fund (NAF); funds derived, directly from a pattern of racketeering activity.

Waldon M. Hingle is associated with the original mailings, TV communications, and wire fraud of Century 21 Real Estate Corporation, by virtue of the above of acts-of-sales, litigation, disbursement of funds, and further mailings in furtherance and completion of the overall scheme to raise profits in land sale transactions through false and misleading advertising, and specific intent to participate in the NAF. He has participated as a ***principle*** [emphasis supplied] in other schemes with knowledge of overvaluation, use of Federal funds in financing, flipping, and misrepresentations, false statements, omissions and/or concealment of material facts, and Conflict of Interests between clients (buyers) without acknowledgement, and misrepresenting attorney status with both parties, for the purpose of raising property values and profits on land sales transactions.

27.

18 U.S.C. §1962(d)

Waldon M. Hingle, and all Defendants are associated with the act-of-sale mailings and overt acts in furtherance and completion of all schemes which aided and abetted each others' own pattern of racketeering activity. On February 29, 1984, Mr. Hingle put the final touch to his "Blue Suede Shoes" acts, with all parties agreeing to complete the scheme through overt and predicate acts, and funds received directly from a pattern of racketeering activity and disbursed to the following parties in conspiracy: Defendants, Century 21 Don Smart and Associates, Inc., Broker, Don Smart, Agent, Margaret Pearson, Century 21 Parker-May and Associates, Inc., Brokers Pam Parker and Debra May, Agent Libby Bentson, Waldon M. Hingle, Attorney, Hingle and Associates, Claire Olsen Flannery and Guy T. Flannery, and disbursement of 2% and 6% to Century 21 of Texas, Inc., Century 21 Real Estate Corporation, and as "Trustee" for the NAF i.e. National Advertising Fund Management Committee.

Waldon M. Hingle and Don Smart have participated as ***principles*** [emphasis supplied] in a pattern of activity which includes Drews V. Giangrosso, Village Apartments, Eastway Group, Seefeld, and Elguezabal and not limited thereto. Hingle is knowledgeable of sales, participated in purchase of over valued property, litigation, financing and schemes on same property from beginning to end. (To aid and abet racketeering under 18 U.S.C. §1962(a), (c), or (d) one does not need to be an attorney, notary, or fiduciary, it states "any person".

Conclusion

Plaintiff submits this Court has thrown out the bath water, forgetting the baby made the water dirty in the first place. Then the Court threw out the baby to correct the problem, never addressing the RICO Cause of Action and issue of the "Pattern of Racketeering Activity" which has still not been dealt with as Congress intended to protect legitimate business from infiltration from ***criminal conduct*** [emphasis supplied] and to protect the public and victims like Plaintiff outlined in the fourteen schemes in her "Pattern of Racketeering Activity Chart", Exhibit A, now D in connection with the overt/ predicate acts of mail and wire fraud of Defendant, C 21 REC.

For the above reasons the Reconsideration should be granted.

JAMES F. QUAID,
Professional Law Corporation

Attorney for Plaintiff
LSBA No. 10915
P. O. Box 73295
Metairie, Louisiana 70033
504-455-4440

Certificate

I hereby certify that I have mailed a copy of the attached captioned pleading, postage prepaid or by hand delivery, to all counsel of record this 10th day of September, 1991.

JAMES F. QUAID

MINUTE ENTRY
September 16, 1991
CARR, J.

(Filed Sept. 19, 1991)

SANDRA SEEFELD	CIVIL ACTION
VERSUS	NO. 88-5540
CLAIRE OLSEN, wife of/and GUY T. FLANNERY; MARGE PEARSON; CENTURY 21 REAL ESTATE CORPORATION; DON SMART AND ASSOCIATES, INC.; CENTURY 21 PARKER-MAY ASSOCIATES, INC.; WALDON B. HINGLE, ABC INSURANCE CO.; XYZ INSURANCE CO.; CDE INSURANCE CO.	SECTION "J"

This matter is before the Court on the motion of plaintiff, Sandra Seefeld, for reconsideration of the Court's August 28, 1991 Order dismissing plaintiff's claims without prejudice. [Document 145]

Determining in its discretion that oral argument is unnecessary, the Court now **CANCELS** the hearing previously scheduled for September 25, 1991.

Plaintiff argues that rather than dismiss her claims on the defendants' motions for summary judgment, the Court should have once again allowed her leave to amend her pleadings. As the Fifth Circuit has recently reiterated, "the decision to grant or deny leave to amend falls within the sound discretion of the trial court." *Little v. Liquid Air Corp.*, No. 90-1807 (5th Cir. Sept. 3, 1991). Plaintiff has had multiple opportunities to amend her

complaint over the past three years. Thus, the Court does not consider it error not to have sua sponte directed plaintiff to amend her complaint rather than face summary judgment against her. Furthermore, the defect in plaintiff's case lay not in her complaint, but in her failure to support her allegations when faced with motions for summary judgment.

Summary judgment is appropriate when the moving party, in a properly supported motion, demonstrates that there is "no genuine issue of material fact, and that it is entitled to summary judgment as a matter of law." Fed.R.Civ.P. 56(c); *Anderson v. Liberty Lobby, Inc.*, 106 S. Ct. 2505, 2510 (1986). Confronted with such a motion the nonmoving party must direct the Court's attention to evidence in the record which demonstrates that it can satisfy a fair minded jury that it is entitled to a verdict in its favor. This can be accomplished by tendering affidavits, depositions, and other materials which provide evidentiary support for the nonmovant's claim. The nonmoving party cannot rest on the allegations in its complaint. *International Shortstop, Inc. v. Rally's, Inc.*, No. 90-8563 (5th Cir. Aug. 29, 1991).

Here, the plaintiff failed to provide the Court with any materials that would support the claims in her complaint. While plaintiff's complaint was sufficient to *allege* a RICO action, there was no evidence to *support* a RICO claim.

Accordingly, the plaintiff's motion for reconsideration is **DENIED**.

/s/ PEC

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

SANDRA SEEFELD, Plaintiff	*	CIVIL ACTION
versus	*	NO. 88-5540
CLAIRE OLSEN, wife of/and GUY T. FLANNERY; MARGE PEARSON; CENTURY 21 REAL ESTATE CORPORATION; DON SMART AND ASSOCIATES, INC.; CENTURY 21 PARKER-MAY ASSOCIATES, INC.; WALDON M. HINGLE, ABC INSURANCE CO.; XYZ INSURANCE CO.; CDE INSURANCE CO., Defendants	*	SECTION "J" MAG.DIV. 4

****

NOTICE OF APPEAL
(Filed Sept. 24, 1991)

NOTICE IS HEREBY GIVEN that Plaintiff, SANDRA SEEFELD, hereby appeals to the United States Court of Appeals, Fifth Circuit from the following Orders of this Court:

1. The Court's Order dated September 20, 1991;

2. The Court's Order dated August 28, 1991; and

3. All other Orders of this Court dismissing any other Defendants from this matter.

Respectfully submitted,

JAMES F. QUAID, Professional Law Corporation

/s/ James F. Quaid
Attorney for Plaintiff
LSBA No. 10915
P. O. Box 73295
Metairie, Louisiana 70033
504-455-4440

Certificate

I hereby certify that I have mailed a copy of the attached captioned pleading, postage prepaid or by hand delivery, to all counsel of record this 24th day of September, 1991.

/s/ James F. Quaid
JAMES F. QUAID

UNITED STATES COURT OF APPEALS
For the Fifth Circuit

No. 91-3826
Summary Calendar

SANDRA SEEFIELD,

Plaintiff-Appellant,

VERSUS

CENTURY 21 PARKER-MAY,
ASSOCIATES, INC., ET AL.,

Defendants-Appellees.

Appeal from the United States District Court
For the Eastern District of Louisiana
(CA 88 5540 J)

(Filed June 19, 1992)

Before KING, EMILIO M. GARZA, and DeMoss, Circuit Judges.

PER CURIAM:*

---

*Local Rule 47.5 provides: "The publication of opinions that have no precedential value and merely decide particular cases on the basis of well-settled principles of law imposes

(Continued on following page)

For reasons fully set forth by the trial court in its opinion, we AFFIRM. See Local Rule 47.6.

(Continued from previous page)

needless expense on the public and burdens on the legal profession." Pursuant to that Rule, the Court has determined that this opinion should not be published.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

SANDRA SEEFELD	*	CIVIL ACTION
VERSUS	*	NUMBER 88-5540
CLAIRE OLSEN, wife of/and GUY T. FLANNERY, *et. al.*	*	SECTION: J
**********	*	MAG DIV.: 4

AFFIDAVIT

STATE OF CALIFORNIA

COUNTY OF ORANGE

BEFORE ME, the undersigned notary public, personally came and appeared:

BRUCE JOHN OSELAND

who, first being duly sworn, deposed and said that:

1. He is the Senior Vice President of Marketing and Advertising for Century 21 Real Estate Corporation ("Century 21")

2. In that capacity, he is responsible for overseeing and managing the marketing and advertising activities for Century 21.

3. Century 21 is a California corporation with its principal and only office in California.

4. Century 21 makes no profit from National Advertising Fund contributions; the monies are held in trust and expended for national and regional advertising.

5. Century 21 does no local advertising and has not, at any time, advertised locally in the St. Tammany area.

6. Century 21's advertising in the United States is national and/or regional and makes no reference to specific cities, neighborhoods or areas of town; estimated or recommended sales prices; or local market conditions or indicators.

7. Century 21 has no franchisees and is not in the business of selling real estate.

8. Until this suit, Century 21 had had no contact with defendants Century 21-Don Smart & Associates, Inc. ("Don Smart"), Century 21-Parker-May ("Parker May"), Marge Pearson or Waldon Hingle.

9. Neither Marge Pearson, Waldon Hingle nor anyone associated with Don Smart or Parker-May, has ever been employed by, controlled by, or authorized to act on behalf of, Century 21.

10. Prior to this suit, neither Century 21, nor anyone authorized to act on its behalf, ever met, spoke or corresponded with plaintiff and at no time did anyone at or on behalf of Century 21 make any representation to plaintiff as to the value of any property in St. Tammany Parish.

/s/ Bruce John Oseland
BRUCE JOHN OSELAND
Senior Vice President of
Marketing and Advertising,
Century 21 Real Estate
Corporation

SWORN TO AND SUBSCRIBED

BEFORE ME, this 1st

day of August, 1991.

/s/ Kathleen J. Olafson
NOTARY PUBLIC

[p. 63] no television, there is no radio. Anything that would have been done would have been –

BY MR. QUAID: Q. Print?

A. – print.

Q. Okay.

The National Advertising Fund, how much has it spent in the last ten years in advertising, print, audio, video?

A. Anywhere from twenty to $35 million annually.

Q. Annually?

A. Yes.

Q. On a nationwide basis?

A. Yes.

Q. In other words, you all don't subject or limit it to a particular market, the National Advertising Fund?

A. Yes, we do. The National Advertising Fund has spent – up to this year has spent on a percentage basis 75 percent. It has spent nationally 25 percent on a regional basis. And so the answer to your question is yes.

Q. It is not restricted to West Coast, South, East?

A. Well, indeed it is on the 25 percent portion of that.

* * *

[p. 86] what that term means.

Do you understand the question?

THE WITNESS: Are you asking how Century 21 is paid?

BY MR. QUAID: Q. Did they use the term royalties in some of their – in some of their agreements with the subfranchisors. For example, they reached for a two-percent advertising?

MR. ZASLAV: I'm going to object, He said they didn't use the word, "royalties."

BY MR. QUAID: Q. Isn't advertising a six-percent specific royalty?

MR. ZASLAV: Again, I'm going to object for the record because the document doesn't use the word "royalty."

BY MR. QUAID: Q. What do you call the six percent?

A. A service fee.

Q. A service fee, okay.

And what is that service fee based upon?

MR. ZASLAV: Just for the record, I think we need to lay a foundation for this. You talked about agreements and you're talking above a six-percent service fee. I don't know what agreement you're referring to.

I think you need to lay more of a foundation [p. 87] before you can answer the question.

BY MR. QUAID: Q. Do you all charge a service fee for any service you perform?

MR. ZASLAV: You all being Century 21?

BY MR. QUAID: Q. Century 21 International Real Estate Corporation.

A. Yes.

Q. What are those fees charged for, what services?

MR. ZASLAV: And to whom.

THE WITNESS: We receive fees from all Century 21 regional offices or subfranchisors in the United States and internationally.

BY MR. QUAID: Q. Based on?

A. Based on a percentage of revenues.

Q. What do you all define as revenues?

MR. ZASLAV: If you can answer that question.

That's a defined term and I don't know that the witness is competent to answer that question.

BY MR. QUAID: Q. He's been furnished as the corporate person competent to answer all questions.

MR. ZASLAV: I don't think you can find a witness who is going to be competent to answer all questions.

MR. QUAID: The judge specifically instructed you to furnish such a witness.

[p. 88] MR. ZASLAV: If you can answer the question, answer it. If you don't know, state that you don't know.

THE WITNESS: I know some of the components, I don't know that I know all of them.

BY MR. QUAID: Q. Tell me what you know.

A. I know that they would constitute fees from the sale of franchises and fees from real estate transactions and I don't know what else.

Q. The sales of franchises; is that based upon a gross sales figure or a net sales figure?

MR. ZASLAV: If you know.

THE WITNESS: I don't know that.

BY MR. QUAID: Q. On the sales from real estate transactions, is that based on a gross or net figure?

A. I don't know that.

MR. ZASLAV: I would just like to state for the record that the witness previously testified that there were written agreements.

MR. QUAID: But he hasn't produced any written agreements.

MR. ZASLAV: You haven't asked for them.

MR. QUAID: Yes, we asked for agreements.

MR. ZASLAV: You asked for agreements between Century 21 Real Estate Corporation and the real estate broker franchisees and our response to that answer is that

* * *

MAX J. DERBES

APPRAISERS & REAL ESTATE CONSULTANTS, INC.

3045 Ridgelake Drive,
Suite 300
Metairie, Louisiana 70002
(Greater New Orleans Area)

Phone (504) 833-2020
FAX (504) 834-1285
Covington (504) 892-0432

[Letter Head omitted in printing]

February 15, 1989
Our File No. 89-24

Ms. Sandra Seefeld
113 Rue Holiday
Slidell, LA 70461

RE: Appraisal of:
Lots 16 & 17, Square 2,
Lindberg Glen Anex #1,
Slidell, LA

Dear Ms. Seefeld:

In accordance with your request, we have examined the above referenced property, which is more fully described herein, and analyzed matters pertinent to the estimation of its fair market value.

Fair Market Value, as herein used, is defined as "the most probable price, in terms of money, which a property is expected to bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus".

Subject property, as per instructions, is analyzed and valued as of two separate dates. The valuation dates to which this appraisal applies are as of February 29, 1984 and as of February 15, 1989.

Enclosed is our report, including exhibits, which contains pertinent data gathered and the methodology used to reach the final value conclusions. No responsibility has been assumed for matters legal in nature, nor has the title been examined by these appraisers. Except as specifically noted herein, this appraisal is made as though free from encumbrances and under responsible ownership.

Our appraisal has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the American Institute of Real Estate Appraisers of the National Association of Realtors.

It is our opinion that the estimated fair market value of the unencumbered interest of the above referenced property, as of February 29, 1984, is:

EIGHTY NINE THOUSAND AND 00/100 ($89,000.00) DOLLARS

Furthermore, it is our opinion that the estimated fair market value of the unencumbered interest in subject property, as of February 15, 1989, is:

EIGHTY FIVE THOUSAND AND 00/100 ($85,000.00) DOLLARS

Subject property, because of its characteristics, will generally appeal to the owner/user segment of the market. Currently, due to depressed market/economic conditions, the pool of available purchasers for this type of property

is limited. Thus, the marketability of real estate catering to such a market participant is not good. Price or value is not the critical issue but rather whether any realistic market demand exists. This report presumes a reasonable buyer to be available, though the marketing period may be protracted.

This is to certify that we have no interest, present or contemplated, in the subject property. Our opinions of value are subject to the Assumptions and Limiting Conditions stated in the body of the report.

Respectfully submitted,

/s/ Michael W. Truax, MAI
Michael W. Truax, MAI

/s/ John M. Robles
John M. Robles, Associate

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

Whereas, I, PATRICK J. CANULETTE, Sheriff of the Parish of St. Tammany, State aforesaid, by virtue of WRIT OF SEIZURE AND SALE from the Hon. the Twenty-second Judicial District Court, in and for the Parish of St. Tammany, in the matter of CLAIRE OLSEN FLANNERY & GUY FLANNERY -VS- SANDRA SEEFELD numbered on the docket of said Court # 88-14818 bearing date SEPTEMBER 21, 19 88, and to me directed, I did levy

upon and seize and take into my possession the property hereinafter described, and did give due notice of such seizure to the defendants in such action, and in pursuance thereof, did advertise agreeably to law, that I would expose said property for sale at public auction, at the door of the Courthouse, in the City of Covington, Parish and State aforesaid, on the 25TH day of JANUARY A.D., 19 89, between legal sale hours, by advertisement in the English language for 30 clear days, in ST. TAMMANY FARMER, a newspaper published in the City of COVINGTON, Parish of St. Tammany, Louisiana, said paper being the Official Journal of said Parish, the terms of sale being CASH WITH BENEFIT OF APPRAISEMENT

At the time and place above stated, I, the Sheriff aforesaid, did proceed to sell said property after having read in a loud and audible voice, the advertisement, certificate of the Recorder of Mortgages, and pursued all the other legal requirements; when, after receiving the various offers and bids the said property was adjudicated to CLAIRE OLSEN FLANNERY & GUY FLANNERY C/O AUGUST HAND, 4565 LASALLE ST., STE 202, MANDEVILLE, LA. 70448 for the price and sum of $133,334.00 (PLUS COST) ONE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY FOUR dollars and NO cents, being the highest and last bidder, which sum, I said Sheriff, do hereby acknowledge to have received in cash from said bidder CLAIRE OLSEN FLANNERY & GUY FLANNERY

NOW, THEREFORE, Know All Men by these Presents, That I, PATRICK J. CANULETTE, Sheriff as aforesaid, do, in consideration of the premises, and by virtue of the law in such cases made and provide, grant, bargain, sell, assign and set over unto the said CLAIRE OLSEN FLANNERY & GUY FLANNERY all the right, title, interest and claim of the said SANDRA SEEFELD in and to the property so adjudicated as aforesaid and described as follows:

> ALL THAT CERTAIN LOT OR PARCEL OF LAND, together with all the buildings, and improvements thereon, and all the rights, ways, privileges, servitudes, appurtenances and advantages thereunto belonging or in anywise appertaining, lying and being situated in St. Tammany Parish, Louisiana, and being more fully described as follows, to-wit:
>
> LOTS 16 and 17, LINDBERG GLEN ANNEX SUBDIVISION, SQUARE 2, ST. TAMMANY PARISH, LOUISIANA.
>
> Lot 16 has a frontage of 73.6 feet on a service road with a depth on the north of 362.31 feet, title, 362.38 feet, actual, a depth of 385.13 feet on the south line going east between parallel lines with a width of 70 feet in the rear. Lot 17 has a frontage of 73.6 feet on a service road with a depth on the north of 385.13 feet, a depth on the south of 407.88 feet going east between parallel lines with a width of 70 feet in the rear.
>
> Between the same property acquired by Sandra Seefeld, from Guy Flannery by act before W. M. Hingle, Notary Public, dated February 29th, 1984 and registered in COB 1143, folio 332.

CLAIRE OLSEN FLANNERY & GUY FLANNERY	STATE OF LOUISIANA
VS. No. 88-14818	PARISH OF ST. TAMMANY
SANDRA SEEFELD	– IN THE –
	22nd JUDICIAL DISTRICT COURT

APPOINTMENT OF APPRAISERS

To _____ and _____

You are hereby appointed appraisers, to appraise the property seized and advertised to be sold in the above suit, this 25TH day of JANUARY, 1989

/s/ Willie Galloway
SHERIFF

OATH APPRAISERS

_____ and _____

the duly appointed appraisers, to appraise property to be sold this 25TH day of JANUARY, 1989, in above matter, being sworn, say they will do their duty to the best of their ability, so help them God.

/s/ illegible
APPRAISERS

Sworn and subscribed to before me, this 19 day of Jan, 1989

/s/ Willie Galloway
SHERIFF

APPRAISEMENT

Be it known that we, the appraisers, in the sale in above matter, this 19th day of Jan., 1989, after deliberation, appraise the following described property, to-wit:

Lot-16 & 17 Lindberg Glen Annex Subdivision of Sq. 2 St Tammany Parish LA

Total Value of Land & Improvements $93,450.00

/s/ illegible
APPRAISERS

United States of America

STATE OF LOUISIANA – PARISH OF ST. TAMMANY

BE IT KNOWN, that on this 29TH day of FEBRUARY 1984, BEFORE ME, a Notary Public, duly commissioned and qualified, in and for the above named Parish and State, therein residing, and in the presence of the undersigned competent witnesses, PERSONALLY CAME AND APPEARED:

CLAIRE OLSEN, wife of/and GUY FLANNERY, a/k/a GUY T. FLANNERY, JR. both persons of the full age of majority and residents of St. Tammany Parish, who declared under oath onto me, Notary, that they have each been married but once and then to each other and that they are presently living and residing together. MAILING ADDRESS: 628 9th Street, Slidell, Louisiana 70458 – AND – "TOP O' THE MORNING" FLOWER & GARDEN CENTER, INC., represented herein by its President, GUY T. FLANNERY, JR.

who declare that they by these presents, grant, bargain, sell, convey, transfer, assign, set over and deliver, with all legal warranties and with full substitution and subrogation in and to all rights and action of warranty which they have or may have against all preceeding owners and vendors, unto

SANDRA SEEFELD, a person of the full age of majority and a resident of St. Tammany Parish, who declared under oath unto me, Notary, that she has been married but once and then to Donald Dean Grines from whom she is divorced by judgment rendered January 25th, 1980, Family District Court, Galveston County, Texas, Case #30,352, and that she is presently a single person, having

not since remarried. MAILING ADDRESS: 230 West Hall #73, Slidell, LA 71458 Here present and accepting, purchasing for herself, her heirs and assigns, and acknowledging due delivery and possession, thereof, the following described property, to wit;

ALL THAT CERTAIN LOT OR PARCEL OF LAND, together with all the buildings and improvements thereon, and all the rights, ways, privileges, servitudes, appurtenances and advantages thereunto belonging or in anywise appertaining, lying and being situated in St. Tammany Parish, Louisiana, and being more fully described as follows, to-wit:

LOTS 16 and 17, LINDBERG GLEN ANNEX SUBDIVISION, SQUARE 2, ST. TAMMANY PARISH, LOUISIANA.

Lot 16 has a frontage of 73.6 feet on a service road with a depth on the north of 362.31*feet, a depth of 385.13 feet on the south line going east between parallel lines with a width of 70 feet in the rear. Lot 17 has a frontage of 73.6 feet on a service road with a depth on the north of 385.13 feet, a depth on the south of 407.88 feet going east between parallel lines with a width of 70 feet in the rear.

Being, the same property acquired by Guy Flannery, et ux from Delta Savings and Loan Association by act before James S. Conner, Jr., Notary Public, dated April 24th, 1975 and registered in COB 753, folio 692.

To have and to hold the above described property unto the said purchaser, heirs and assigns forever.

---

* title, 362.38 feet, actual

This sale is made and accepted for and in consideration of the price and sum of TWO HUNDRED SEVENTY FIVE THOUSAND AND NO/100THS ($275,000.00) DOLLARS----------

part payment of which and deduction whereof the said purchaser has well and truly paid, in ready and current money the sum of FIFTY FIVE THOUSAND AND NO/100THS ($55,000.00) DOLLARS---------

The said vendor who hereby acknowledges the receipt thereof and grant full acquittance and discharge therefor.

And for the balance of said purchase price, to wit: The sum of TWO HUNDRED TWENTY THOUSAND AND NO/100THS ($220,000.00) DOLLARS----------

the said purchaser has furnished 1 promissory note dated February 29th, 1984 and payable to the order of BEARER in monthly installments of TWO THOUSAND TWO HUNDRED THIRTY FIVE AND 20/100THS ($2,235.20) DOLLARS each on the first day of each and every month beginning on the 1st day of May, 1984, with remaining principal and interest, if not sooner paid, due and payable on April 1st, 1997. If any installment is not paid within 45 days of due date, Borrower shall**which said note stipulates to bear interest at the rate of 12% per cent per annum from April 1st, 1984 until paid and after having been paraphed "No Varietur" by me, Notary to be herewith identified and delivered to the said vendor who hereby acknowledges the receipt thereof* said installments to be payable at 1921 Corporate Sq., Suite 2, Slidell. La. or wherever else noteholder may designate in writing.

Mortgagor does hereby expressly waive the provisions of Code of Civil Procedure Article Number 2639.

And in case it should become necessary to place said note in the hands of an attorney for collection by suit or otherwise, the said purchaser hereby binds and obligates herself to pay the fees of the attorney at law employed for that purpose, which fees are hereby fixed at 25% per cent on the amount sued for.

be considered in default. Borrower shall pay to Lender a late charge of TEN (10%) percent of any installment of principal and interest as provided herein*

And to further secure the full, prompt and punctual payment of said note together with interest accrued or to accrue thereon, together with costs and legal charges, the said mortgagor does hereby specially waive all homestead rights and exemptions guaranteed by the constitution of this State, in favor of the holder or future holder or holders of the aforementioned note ***not received by Lender within 7 days after such installment is due.

And now, in order to secure the full and punctual payment of said note at maturity and/or the installments thereon, together with all interest, costs, attorney's fees and premiums of insurance, special mortgage and vendor's lien and privilege are hereby retained and granted in favor of said vendor and all future holder or holders of said note on the property herein conveyed, which the said purchaser binds herself not to sell, alienate or in anywise encumber to be prejudice of this act.

And here the said purchaser declare that she do by these presents, consent, agree and stipulate that in the

event any installment due be not punctually paid, all of said notes shall at once become due and exigible, it shall be lawful for and she do hereby authorize the said vendor or any other holder or holders thereof, to cause all and singular the said hereinbefore described and herein conveyed and mortgaged property to be seized and sold (after due process of law) without appraisement to the highest bidder payable cash. The said purchaser hereby confessing judgment in favor of said vendor, or any future holder or holders of said note.

All State and Parish Taxes up to and including the taxes due and exigible in 1983 are paid as per attached certificates.

The certificate of mortgage and conveyance required by Article 3364 of the Revised Civil Code of this State are open and the parties relieve & release me, Notary, from any responsibility or liability in connection therewith.

THUS DONE AND PASSED in my office at SLIDELL, St. Tammany Parish, Louisiana, on the day, month and year herein first above written, in the presence of

THE UNDERSIGNED

Competent witnesses who hereunto sign their names with the said appearers and me, Notary, after reading of the whole.

WITNESSES:

/s/ Illegible
/s/ Illegible
/s/ W. M. Hingle
NOTARY PUBLIC

W.M. HINGLE

/s/ Claire Olsen Flannery
CLAIRE OLSEN FLANNERY

/s/ Guy Flannery
GUY FLANNERY, a/k/a GUY T. FLANNERY, JR. individually and as President of "TOP O' THE MORNING" FLOWER AND GARDEN CENTER, INC.

/s/ Sandra Seefeld
SANDRA SEEFELD

Wednesday

September 28, 1983

25¢

DAILY TIMES

Highway projects on hold

By DREW BROACH
Staff Writer

SLIDELL – More engineering studies are blocking the route to traffic improvements on Fremaux Avenue and Gause Boulevard, but a new commuter parking lot in Slidell appears imminent, according to state Department of Transportation and Development officials.

In recent telephone interviews, the Baton Rouge officials said the department's Office of Highways is:

• Evaluating creation of turn lanes at two intersections on Fremaux.

• Considering giving Slidell permission to cut four turn lanes on Gause.

• Within days of deciding to lease land for a commuter lot to replace the current Gause Boulevard site that will be lost to a supermarket development.

Gause and Fremaux are sections of state-controlled routes in the federal highway system.

Highway engineers continue to press their case for widening Fremaux to four lanes, despite some local preferences for three, said Assistant Secretary Neil L. Wagoner of the transportation department.

The highways chief said a state study of the effects of adding turn lanes at Fremaux's intersections with Third and Seventh streets has been completed and is under review with the assumption Fremaux would have four lanes.

Wagoner and other highway officials say four lanes are necessary to handle the traffic increase, that would be expected if a new interchange is built at Interstate 10 and the United States Highway 190 business route.

U. S. 190 business follows Fremaux Avenue east from Front Street, then branches onto Shortcut Road to the interstate.

Wagoner said his office formally has asked the federal government for road access to the interstate, but said he was unsure when the permission would be granted.

"We have no reason to believe they would not approve it," Wagoner added. "It needs all the (federal engineering) criteria." He also gave no estimate of when a decision would be made on the Fremaux turn lanes.

Officials last spring estimated the interchange would take six years to develop and cost the state and federal governments $10.7 million. They said construction might begin within two years of access-point approval.

State engineers at the time said four lanes were needed on U. S. 190 Business to relieve congestion at the Gause Boulevard interchange. The extra lanes would be in even more demand as the interchange spurred further development on both sides of the interstate, they said.

Some local residents and elected officials countered that three lanes would be adequate, and dismissed

See PROJECTS, Page 3-A

* * *

new listing

$249,950

- M.L.S. #63525
- 734 I-10 SERVICE ROAD (1,000' SOUTH OF HOLIDAY INN)
- QUALITY INTERSTATE EXPOSURE; 147' on the I-10 SERVICE ROAD, SLIDELL, LA
- HIGH VISIBILITY, HIGH TRAFFIC VOLUME. NEAR THREE MAJOR U.S. INTERSTATES (1-10, 1-12, AND 1-59)
- IDEAL FOR SHOPPING CENTER, OFFICE COMPLEX, RESTAURANT, OR NIGHTCLUB. FANTASTIC SERVICE ROAD ACCESS TO 40+ ACRES IN THE REAR OF THIS PROPERTY
- LEGAL DESCRIPTION: EAST PART OF LOT 16, 17, SQUARE 2 OF LINDBERGH GLEN ANNEX, #1, SLIDELL, ST. TAMMANY PARISH, LOUISIANA, SQ. 20 OF SAID SUBDIVISION, SEC 12, T-9, R-14, W-8
- 1.27 ACRES, APPROXIMATELY 55,305 SQUARE FEET, 147.20 X 362.38 X 140 X 407.88
- 1½ STORY, RAISED, ACADIAN BUILDING (CEDAR), BUILT IN 1975, FORMERLY WAS "TOP O'THE MORN GARDEN CENTER"
- 1,200' LIVING DOWN, 800' LIVING UP, PLUS TWO 8 X 40 PORCHES, FOR A GRAND TOTAL OF 2,640'. THERE ARE TWO SKYLIGHTS
- 309' WELL, SEPTIC TANK, SECURITY LIGHTS, 2 CEILING FANS, CENTRAL A/C (ELECTRIC), SPIRAL IRON STAIRCASE, 2 DRIVEWAYS (35' AND 18'), GRAVEL PARKING LOT, AND LARGE DOUBLE BILLBOARD (48' X 16')

- OWNER FINANCING: $50,000 DOWN, 12% INTEREST, AMORTIZED OVER 20 YEARS, BALLOON AT THE END OF 5 YEARS
- LEASE AVAILABLE: $2,000 PER MONTH, TERM ONE YEAR (THEREAFTER, MONTH TO MONTH), FIRST AND LAST MONTH IN ADVANCE
- SHOWN BY: LOCKBOX VACANT
- T.S.B. 3%

CONTACT: PETE FLANNERY (OWNER-AGENT)
(O) 626-3156/(H) 641-2946
524-1661 NEW ORLEANS DIRECT
(PROPERTY IS LISTED THRU SLIDELL OFFICE, 641-1488)

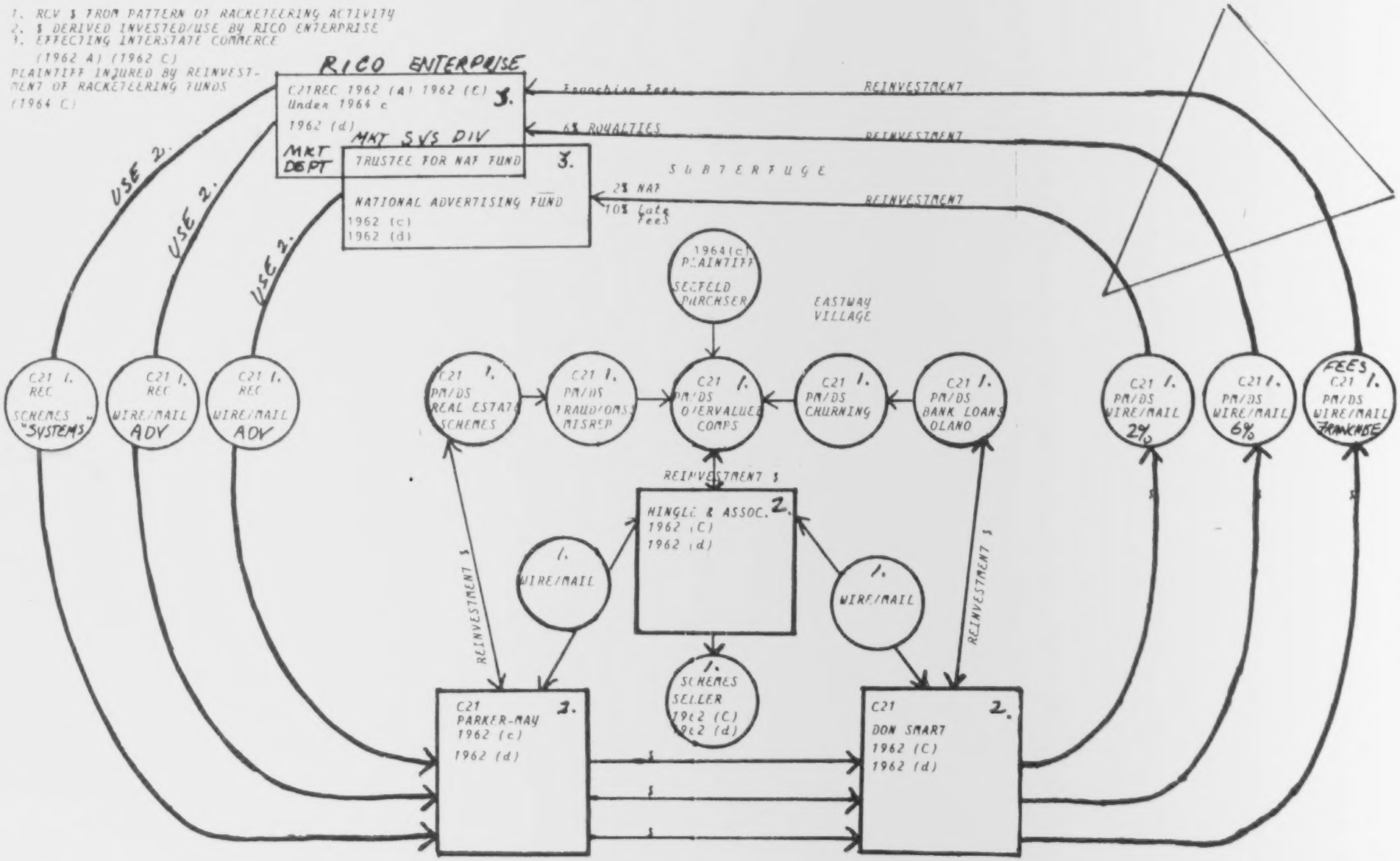
LISTING MADE SUBJECT TO ERRORS, OMISSIONS, CHANGE OF PRICE, PRIOR SALE, AND WITHDRAWL WITHOUT NOTICE.

$2,000 BONUS

T.S.A., IF CONTRACT BY SEPT 11, 1989

LOGO Merrill Lynch
Realty

© 1986 Merrill Lynch Realty Associates, Inc.,


1. RCV $ FROM PATTERN OF RACKETEERING ACTIVITY
2. $ DERIVED INVESTED/USE BY RICO ENTERPRISE
3. EFFECTING INTERSTATE COMMERCE
(1962 A) (1962 C)
PLAINTIFF INJURED BY REINVESTMENT OF RACKETEERING FUNDS
(1964 C)
RICO ENTERPRISE
C21REC 1962 (A) 1962 (E) 3.
Under 1964 c
1962 (d)
MKT SVS DIV
MKT DEPT
TRUSTEE FOR NAT FUND 3.
NATIONAL ADVERTISING FUND
1962 (c)
1962 (d)
Franchise Fees
REINVESTMENT
4% ROYALTIES
REINVESTMENT
SUBTERFUGE
2% NAT
10% Late Fees
REINVESTMENT
USE 2.
USE 2.
USE 2.
1964(c) PLAINTIFF
SEGFELD PURCHSER
EASTWAY VILLAGE
C21 1. REC SCHEMES "SYSTEMS"
C21 1. REC WIRE/MAIL ADV
C21 1. REC WIRE/MAIL ADV
C21 1. PM/DS REAL ESTATE SCHEMES
C21 1. PM/DS FRAUD/OMS MISREP
C21 1. PM/DS OVERVALUED COMPS
C21 1. PM/DS CHURNING
C21 1. PM/DS BANK LOANS OLANO
C21 1. PM/DS WIRE/MAIL 2%
C21 1. PM/DS WIRE/MAIL 6%
FEES C21 1. PM/DS WIRE/MAIL FRANCHISE
REINVESTMENT $
HINGLE & ASSOC. 2.
1962 (C)
1962 (d)
1. WIRE/MAIL
1. WIRE/MAIL
REINVESTMENT $
REINVESTMENT $
1. SCHEMES SELLER
1962 (C)
1962 (d)
C21 PARKER-MAY 2.
1962 (c)
1962 (d)
C21 2.
DON SMART
1962 (C)
1962 (d)
$
$
$

[p. 34] Now, what I am showing you here is that the funds from this racketeering go into these enterprises, and then they send the funds this direction, through the mail, wire, however, and it comes right back up here again and goes into national advertising funds Century 21 Corporation is trustee for that national advertising fund. Century 21 Real Estate Corporation, RICO Enterprises.

Q. So your testimony –

A. Now, six percent royalties come from the brokers down here; the two I named. And two percent advertising funds come from the brokers down here, to the national advertising funds, for which Century 21 Real Estate Corporation is trustee.

Now, those funds are used for, they are reinvested into the RICO Enterprises. They are used for the system, 21 system, that they license. And those systems, training systems, whatever you like to call them, are specifically [p. 35] what trained these agents and brokers.

Then, I also would like to say that when these things come into use, there are schemes involved here. This one I believe, in particular. Then we have advertising that comes out of the marketing services department, and/or marketing department, and the only way they get all over the country is by mail. And through the normal course of business, I am sure there is telephone calls, wires. This is interstate.

Then we have the national advertising funds, and they have their own wire and mail for their advertising. I believe – I didn't write it here, but I believe it is 75

percent international and 25 percent regional split. But also, headquarters does some advertising.

Q. Are you alleging that Century 21 Real Estate Corporation itself is the RICO Enterprise?

A. It is the RICO Enterprise affecting interstate commerce directly.

Q. Substantively, and getting [p. 36] back to my question, what documents and other information do you have, if any, which establishes Century 21 Real Estate Corporation's involvement in the RICO pattern of activity which you allege, or for that matter, any wrongful activity?

A. Any wrongful activity? First of all, there is a subterfuge of trying to separate the enterprise and its advertising from the brokers. Liability.

Q. You are alleging that –

A. It is one of the schemes.

Q. – that Century 21 Corporation's structure and the manner in which it does business is somehow or another in violation of some law?

A. Correct. False and misleading advertising, and also the way it is set up, so that the representations and things that are made by the advertising, they can say, "We don't have anything to do with it. We are separate and distinct from these brokers, and anything they may do."

And that's fine with me, because for RICO, you have to be separate [p. 37] and distinct from the pattern of racketeering activity.

Q. Could we get back to moving along the lines of what documentation, if any, or information you have about wrongful activity?

A. Well now, as far as the corporation being involved in the training, if there is any policies and procedures, and follow-up that would keep this activity from happening, I don't know until everything is in. I have some things, but we are just in discovery, and they are mailing it to us.

Q. I understand that, but what I am asking for now is evidence of wrongdoing.

(Conference between Mr. Quaid and the witness.)

THE WITNESS:

That's the connection between corporations.

EXAMINATION BY MR. WOODARD:

Q. I'm sorry. Please describe further what this is.

[p. 38] MR. WOODARD:

Let the record reflect the witness has handed me a stack of documents. The first page is typewritten, and has at the top, "Reference Guide".

And before I get moving along too far, I would like to attach to the deposition as – I guess we will go ahead and pick up with Exhibit # 1, the flow chart which we have previously discussed.

(Conference between Mr. Quaid and the witness.)

EXAMINATION BY MR. WOODARD:

Q. If you would, please describe the document which you just gave me, Reference Guide, and what that is, and how it is responsive to my question for documents establishing wrongdoing by Century 21 Real Estate Corporation.

A. This just shows the connection that they use to mail the documents, and so forth, to the brokers. And this reference guide is just some of the materials that comes out of training guides.

E X H I B I T "A"

SUMMARY & KEY

RICO ENTERPRISE (Effecting Interstate Commerce) & ASSOCIATION-IN-FACT ENTERPRISES } RECEIVING INCOME FROM A PATTERN RACKETEERING ACTIVITY.

KNOWN ASSOCIATION

UNKNOWN ASSOCIATION

SCHEMES TO DEFRAUD:

NO.

PATTERN & CONTINUITY (THREAT OF CONTINUED ACTIVITY)

SEEFELD-VICTIM: 1983-84 (1,13,14)
COVERUP SCHEMES 1987 (2); 1988 (3); 1989 (4)

SEPARATE SCHEMES & VICTIMS

1980 TO DATE: (6,7,8,9,10,11,12)

SALES & SUITS:

+ C21 DON SMART & ASSOCIATES/DON SMART

● C21 RETAINED ATTORNEY- W.M. HINGLE- C21 DON SMART & ASSOC.

PREDICATE ACTS

(12)* MAIL HINGLE: OVERT ACTS IN FURTHERANCE OF SCHEMES RE SEEFELD

(23)* MAIL OTHERS: HINGLE AID & ABET

(05)✓ WIRE- INTERSTATE OVERT ACTS IN FURTHERANCE OF SCHEMES RE SEEFELD

(07)✓ WIRE- INTERSTATE OTHERS: HINGLE AID & ABET

O KNOWN OMISSIONS

X MISREPRESENTATION-MATERIAL FACT

(12)OX HINGLE- OVERT ACTS/SEEFELD

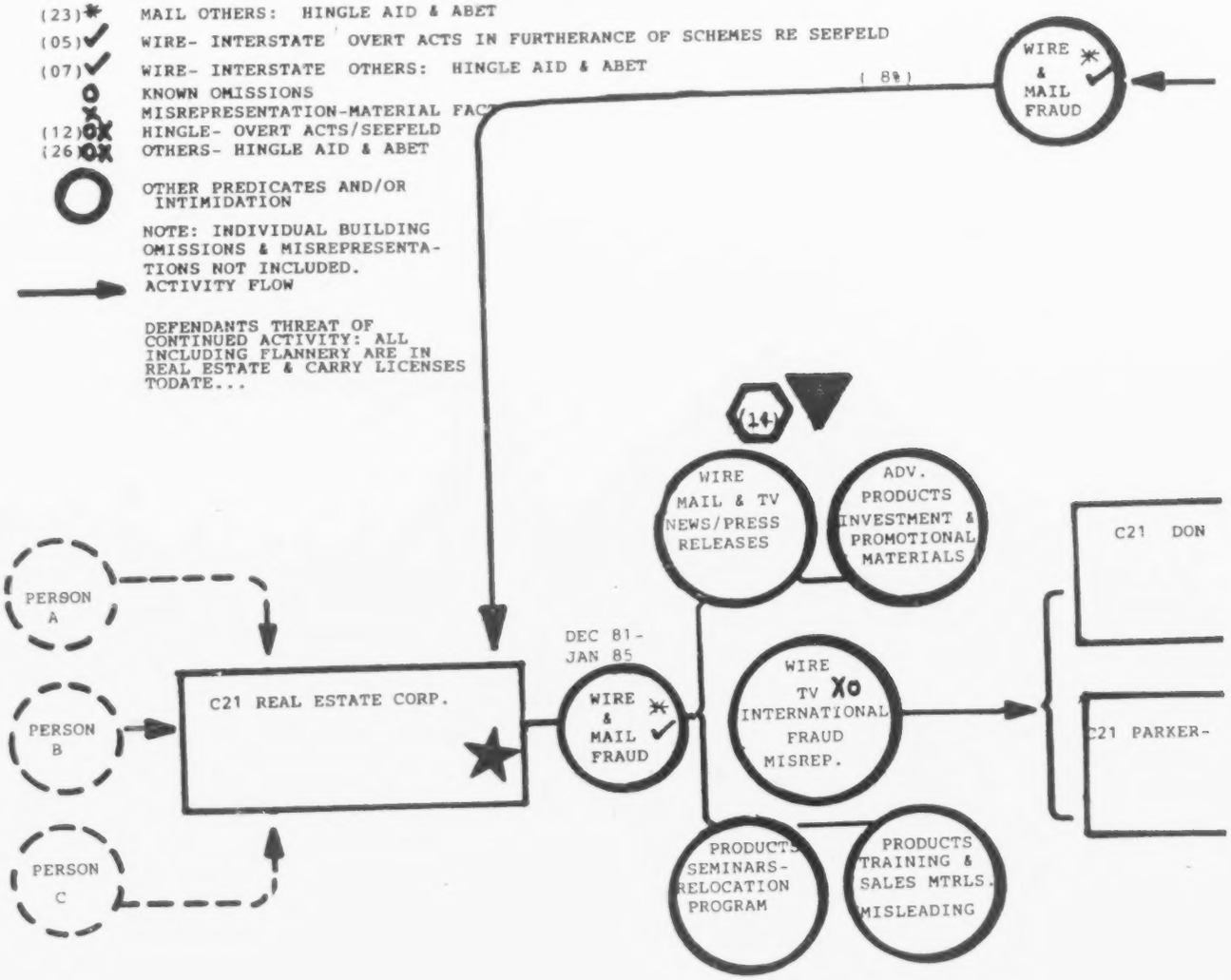
(26)OX OTHERS- HINGLE AID & ABET

OTHER PREDICATES AND/OR INTIMIDATION

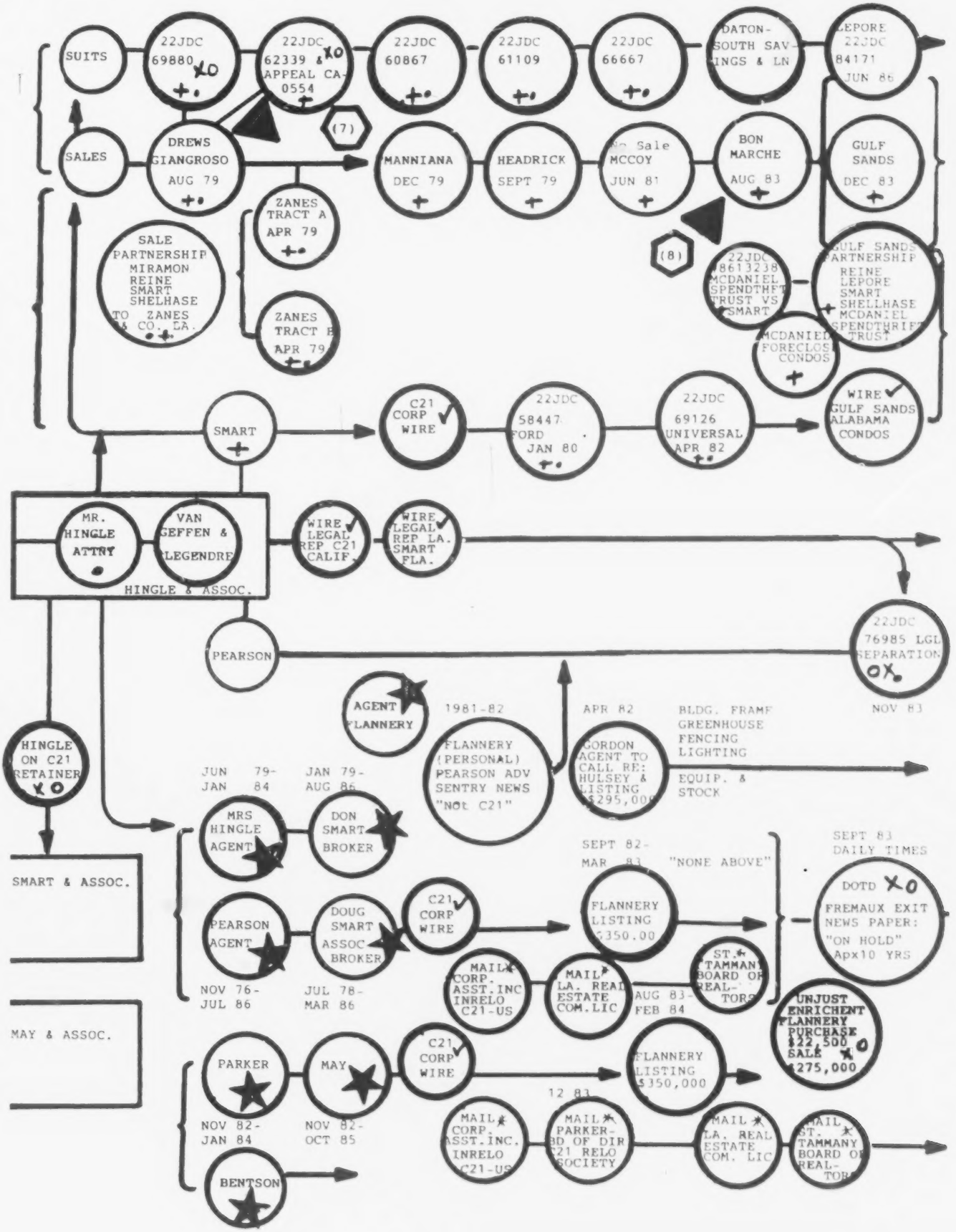
NOTE: INDIVIDUAL BUILDING OMISSIONS & MISREPRESENTATIONS NOT INCLUDED.

ACTIVITY FLOW

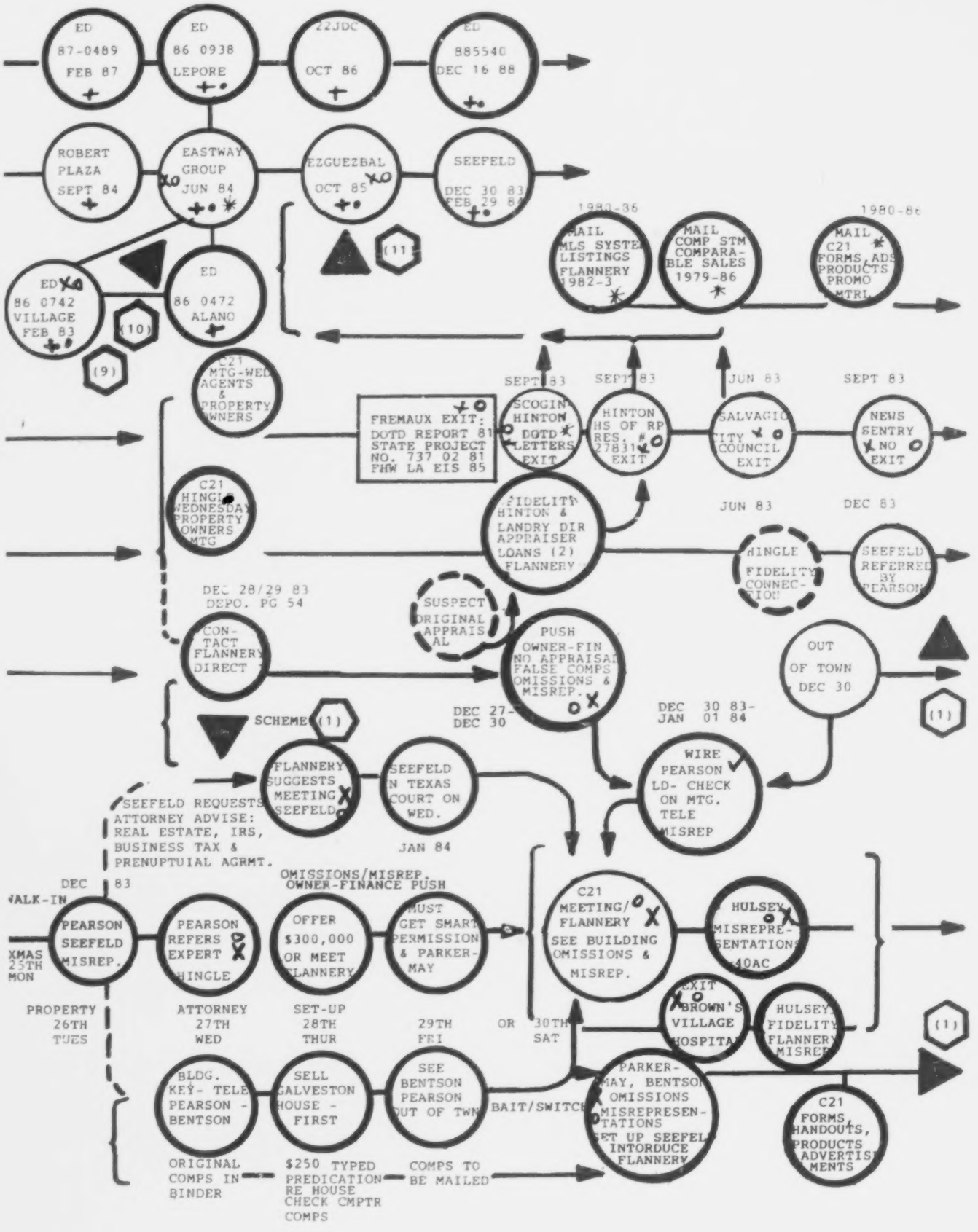
DEFENDANTS THREAT OF CONTINUED ACTIVITY: ALL INCLUDING FLANNERY ARE IN REAL ESTATE & CARRY LICENSES TODATE...



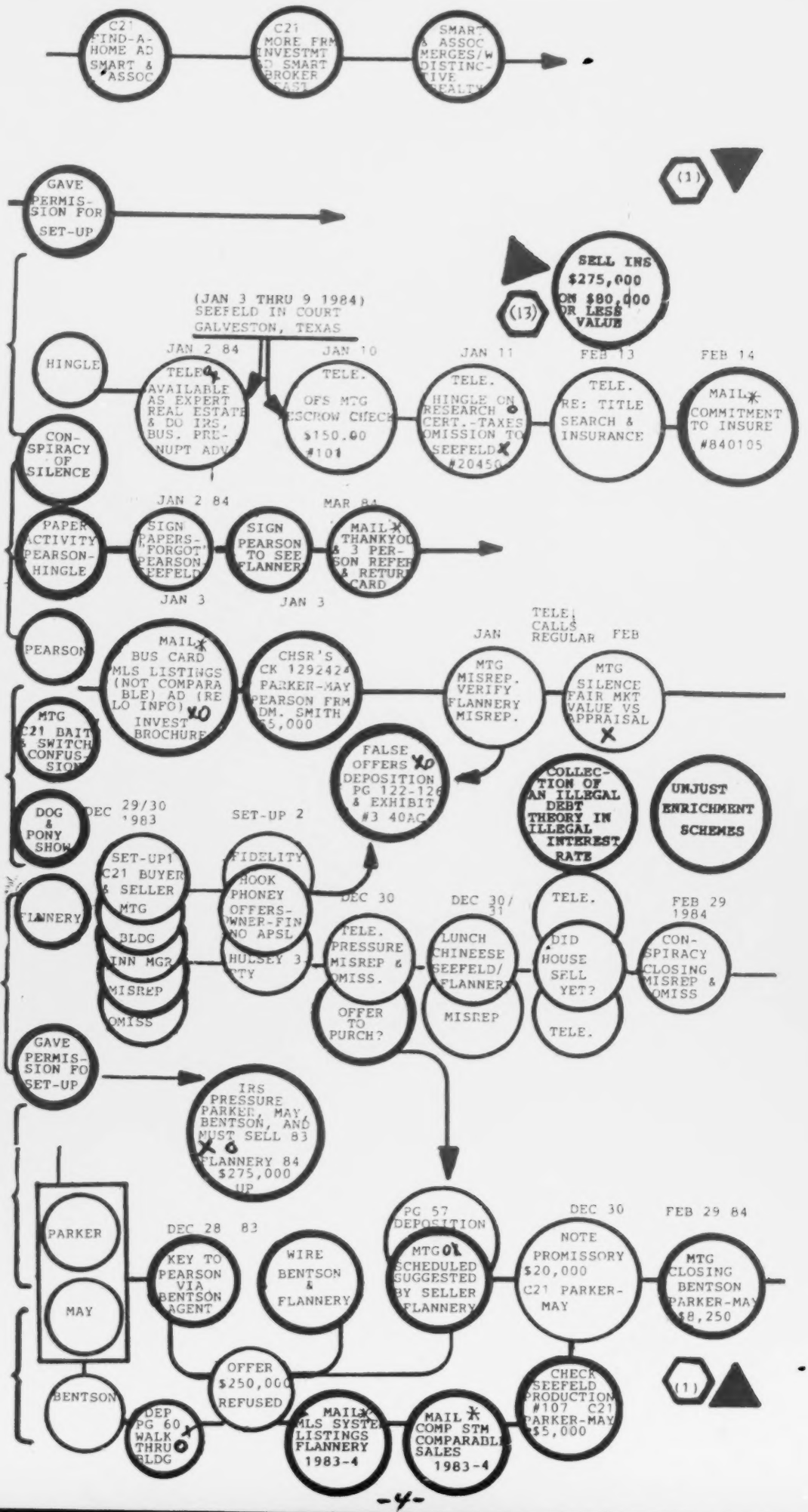
App. 271

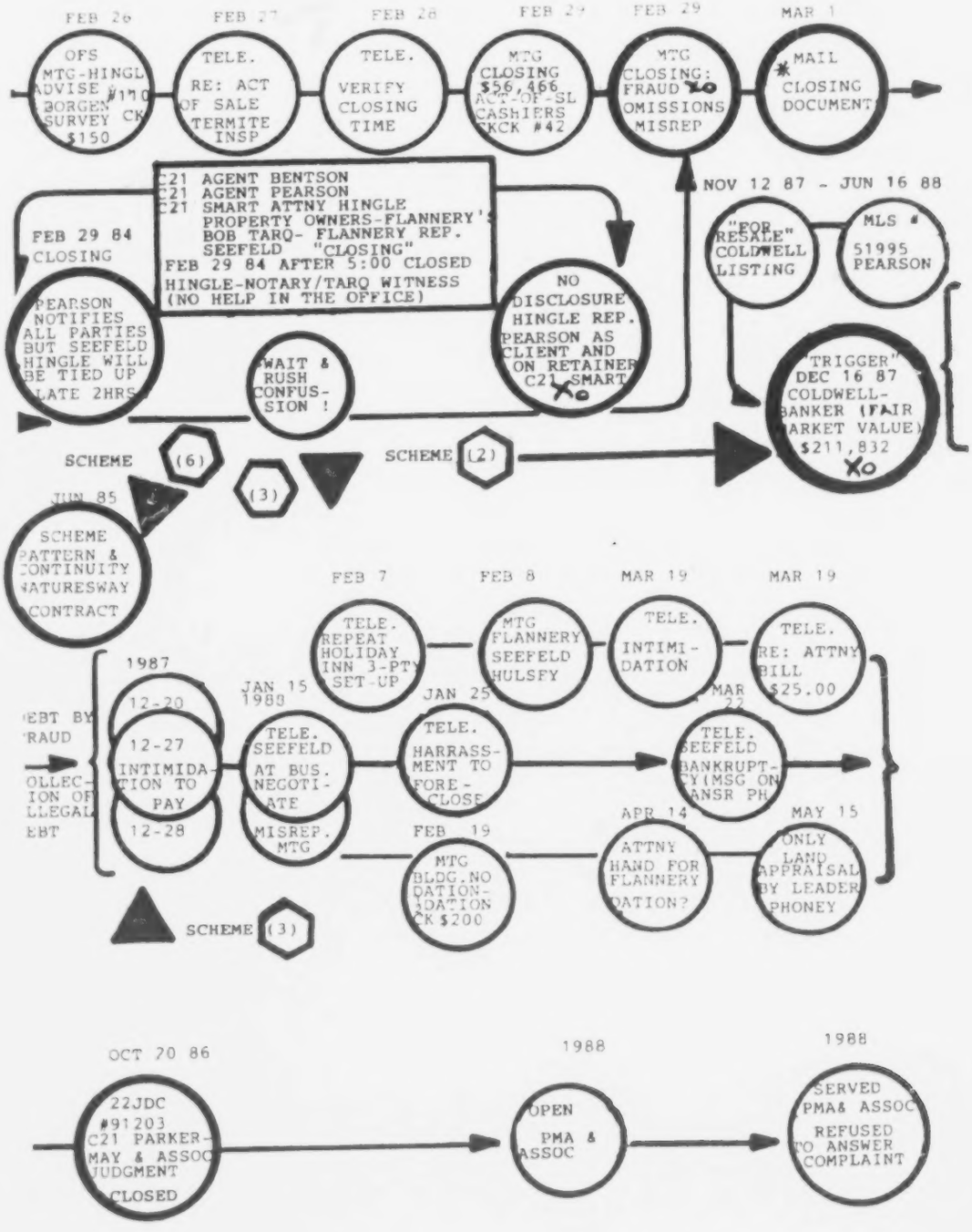

SUITS
22JDC 69880 XO
22JDC 62339 & XO APPEAL CA-0554
22JDC 60867
22JDC 61109
22JDC 66667
DATON-SOUTH SAV-INGS & LN
LEPORE 22JDC 84171 JUN 86
SALES
DREWS GIANGROSO AUG 79
(7)
MANNIANA DEC 79
HEADRICK SEPT 79
No Sale MCCOY JUN 81
BON MARCHE AUG 83
GULF SANDS DEC 83
ZANES TRACT A APR 79
ZANES TRACT B APR 79
SALE PARTNERSHIP MIRAMON REINE SMART SHELHASE TO ZANES & CO. LA.
(8)
22JDC 8613238 MCDANIEL SPENDTHRIFT TRUST VS SMART
GULF SANDS PARTNERSHIP REINE LEPORE SMART SHELLHASE MCDANIEL SPENDTHRIFT TRUST
MCDANIEL FORECLOS CONDOS
SMART
C21 CORP WIRE
22JDC 58447 FORD JAN 80
22JDC 69126 UNIVERSAL APR 82
WIRE GULF SANDS ALABAMA CONDOS
MR. HINGLE ATTY
VAN GEFFEN & LEGENDRE
HINGLE & ASSOC.
WIRE LEGAL REP C21 CALIF.
WIRE LEGAL REP LA. SMART FLA.
PEARSON
22JDC 76985 LGL SEPARATION OX
AGENT FLANNERY
1981-82
FLANNERY (PERSONAL) PEARSON ADV SENTRY NEWS "NOT C21"
APR 82
GORDON AGENT TO CALL RE: HULSEY & LISTING $295,000
BLDG. FRAME GREENHOUSE FENCING LIGHTING
EQUIP. & STOCK
NOV 83
HINGLE ON C21 RETAINER XO
JUN 79- JAN 84
MRS HINGLE AGENT
JAN 79- AUG 86
DON SMART BROKER
SMART & ASSOC.
PEARSON AGENT
DOUG SMART ASSOC BROKER
C21 CORP WIRE
SEPT 82- MAR 83
"NONE ABOVE"
FLANNERY LISTING $350.00
SEPT 83 DAILY TIMES
DOTD XO
FREMAUX EXIT NEWS PAPER: "ON HOLD" Apx10 YRS
NOV 76- JUL 86
JUL 78- MAR 86
MAIL CORP. ASST. INC INRELO C21-US
MAIL LA. REAL ESTATE COM. LIC
AUG 83- FEB 84
ST. TAMMANY BOARD OF REAL-TORS
UNJUST ENRICHENT FLANNERY PURCHASE $22,500 SALE XO $275,000
MAY & ASSOC.
PARKER
MAY
C21 CORP WIRE
FLANNERY LISTING $350,000
12 83
NOV 82- JAN 84
NOV 82- OCT 85
MAIL CORP. ASST. INC. INRELO C21-US
MAIL PARKER-BD OF DIR C21 RELO SOCIETY
MAIL LA. REAL ESTATE COM. LIC
MAIL ST. TAMMANY BOARD OF REAL-TORS
BENTSON

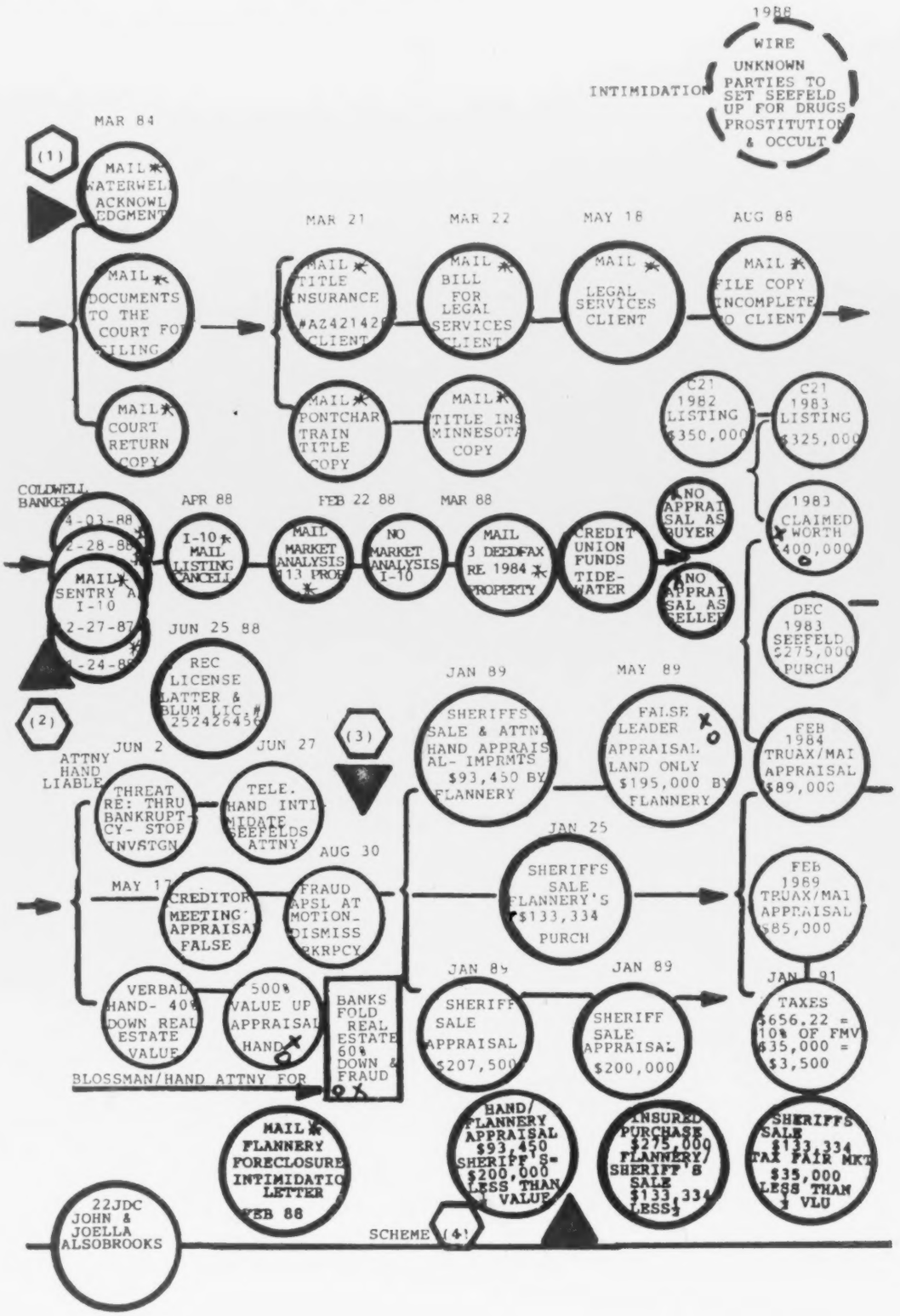
App. 272

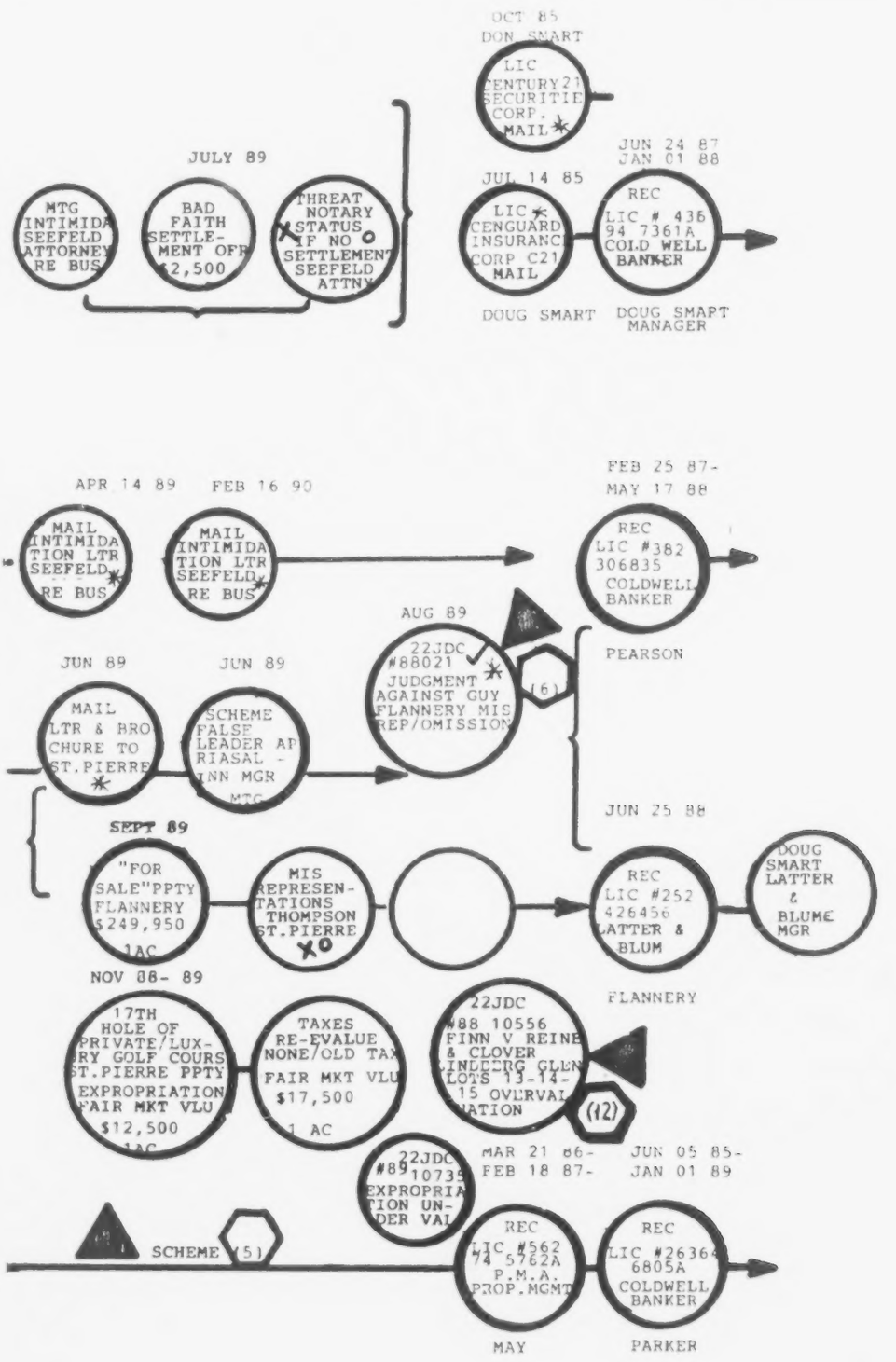

ED 87-0489 FEB 87
ED 86 0938 LEPORE
22JDC OCT 86
ED 885540 DEC 16 88
ROBERT PLAZA SEPT 84
EASTWAY GROUP JUN 84
EZGUEZBAL OCT 85
SEEFELD DEC 30 83 FEB 29 84
ED 86 0742 VILLAGE FEB 83
ED 86 0472 ALANO
(11)
(10)
(9)
1980-86 MAIL MLS SYSTE LISTINGS FLANNERY 1982-3
MAIL COMP STM COMPARA- BLE SALES 1979-86
1980-86 MAIL C21 FORMS, ADS PRODUCTS PROMO MTRL
C21 MTG-WED AGENTS & PROPERTY OWNERS
FREMAUX EXIT: DOTD REPORT 81 STATE PROJECT NO. 737 02 81 FHW LA EIS 85
SEPT 83 SCOGIN HINTON DOTD LETTERS EXIT
SEPT 83 HINTON HS OF RP RES. # 27831 EXIT
JUN 83 SALVAGIO CITY COUNCIL EXIT
SEPT 83 NEWS SENTRY NO EXIT
C21 HINGLE WEDNESDAY PROPERTY OWNERS MTG
FIDELITY HINTON & LANDRY DIR APPRAISER LOANS (2) FLANNERY
JUN 83 HINGLE FIDELITY CONNEC- TION
DEC 83 SEEFELD REFERRED BY PEARSON
DEC 28/29 83 DEPO. PG 54
SUSPECT ORIGINAL APPRAIS AL
CON- TACT FLANNERY DIRECT
PUSH OWNER-FIN NO APPRAISAL FALSE COMPS OMISSIONS & MISREP.
DEC 27- DEC 30
OUT OF TOWN DEC 30
DEC 30 83- JAN 01 84
SCHEME (1)
FLANNERY SUGGESTS MEETING SEEFELD
SEEFELD IN TEXAS COURT ON WED.
JAN 84
WIRE PEARSON LD- CHECK ON MTG. TELE MISREP
SEEFELD REQUESTS ATTORNEY ADVISE: REAL ESTATE, IRS, BUSINESS TAX & PRENUPTUIAL AGRMT.
DEC 83
OMISSIONS/MISREP. OWNER-FINANCE PUSH
WALK-IN
PEARSON SEEFELD MISREP.
PEARSON REFERS EXPERT HINGLE
OFFER $300,000 OR MEET FLANNERY
MUST GET SMART PERMISSION & PARKER- MAY
C21 MEETING/ FLANNERY SEE BUILDING OMISSIONS & MISREP.
HULSEY MISREPRE- SENTATIONS 40AC
XMAS 25TH MON
PROPERTY 26TH TUES
ATTORNEY 27TH WED
SET-UP 28TH THUR
29TH FRI
OR 30TH SAT
EXIT BROWN'S VILLAGE HOSPITA
HULSEY FIDELITY FLANNERY MISREP
BLDG. KEY- TELE PEARSON - BENTSON
SELL GALVESTON HOUSE - FIRST
SEE BENTSON PEARSON OUT OF TWN
BAIT/SWITCH
PARKER- MAY, BENTSON OMISSIONS MISREPRESEN- TATIONS SET UP SEEFEL INTORDUCE FLANNERY
C21 FORMS, HANDOUTS, PRODUCTS ADVERTIS MENTS
ORIGINAL COMPS IN BINDER
$250 TYPED PREDICATION RE HOUSE CHECK CMPTR COMPS
COMPS TO BE MAILED

App. 273


C21 FIND-A-HOME AD SMART & ASSOC
C21 MORE FRM INVESTMT TO SMART BROKER
SMART & ASSOC MERGES/W DISTINC-TIVE REALTY
GAVE PERMIS-SION FOR SET-UP
(1)
SELL INS $275,000 ON $80,000 OR LESS VALUE
(13)
(JAN 3 THRU 9 1984) SEEFELD IN COURT GALVESTON, TEXAS
HINGLE
JAN 2 84
TELE. AVAILABLE AS EXPERT REAL ESTATE & DO IRS, BUS. PRE-NUPT ADV
JAN 10
TELE. OFS MTG ESCROW CHECK $150.00 #101
JAN 11
TELE. HINGLE ON RESEARCH CERT.-TAXES OMISSION TO SEEFELD #20450
FEB 13
TELE. RE: TITLE SEARCH & INSURANCE
FEB 14
MAIL COMMITMENT TO INSURE #840105
CON-SPIRACY OF SILENCE
PAPER ACTIVITY PEARSON-HINGLE
JAN 2 84
SIGN PAPERS-FORGOT PEARSON SEEFELD
SIGN PEARSON TO SEE FLANNERY
MAR 84
MAIL THANKYOU & 3 PER-SON REFER & RETURN CARD
PEARSON
JAN 3
MAIL BUS CARD MLS LISTINGS (NOT COMPARA BLE) AD (RE LO INFO) INVEST BROCHURE
JAN 3
CHSR'S CK 129424 PARKER-MAY PEARSON FRM DM. SMITH $5,000
JAN
MTG MISREP. VERIFY FLANNERY MISREP.
TELE CALLS REGULAR FEB
MTG SILENCE FAIR MKT VALUE VS APPRAISAL
MTG C21 BAIT & SWITCH CONFUS-SION
FALSE OFFERS DEPOSITION PG 122-126 & EXHIBIT #3 40AC
COLLEC-TION OF AN ILLEGAL DEBT THEORY IN ILLEGAL INTEREST RATE
UNJUST ENRICHMENT SCHEMES
DOG & PONY SHOW
DEC 29/30 1983
SET-UP 2
SET-UP1 C21 BUYER & SELLER
MTG
BLDG
INN MGR
MISREP
OMISS
FIDELITY
HOOK PHONEY OFFERS-OWNER-FIN NO APSL
HULSEY 3 QTY
FLANNERY
DEC 30
TELE. PRESSURE MISREP & OMISS.
OFFER TO PURCH?
DEC 30/31
LUNCH CHINEESE SEEFELD/ FLANNERY
MISREP
TELE.
DID HOUSE SELL YET?
TELE.
FEB 29 1984
CON-SPIRACY CLOSING MISREP & OMISS
GAVE PERMIS-SION FO SET-UP
IRS PRESSURE PARKER, MAY, BENTSON, AND MUST SELL 83 PLANNERY 84 $275,000 UP
PARKER
MAY
BENTSON
DEC 28 83
KEY TO PEARSON VIA BENTSON AGENT
WIRE BENTSON & FLANNERY
PG 57 DEPOSITION
MTG SCHEDULED SUGGESTED BY SELLER FLANNERY
DEC 30
NOTE PROMISSORY $20,000 C21 PARKER-MAY
FEB 29 84
MTG CLOSING BENTSON PARKER-MAY $8,250
OFFER $250,000 REFUSED
DEP PG 60 WALK THRU BLDG
MAIL MLS SYSTE LISTINGS FLANNERY 1983-4
MAIL COMP STM COMPARABLE SALES 1983-4
CHECK SEEFELD PRODUCTION #107 C21 PARKER-MAY $5,000
(1)

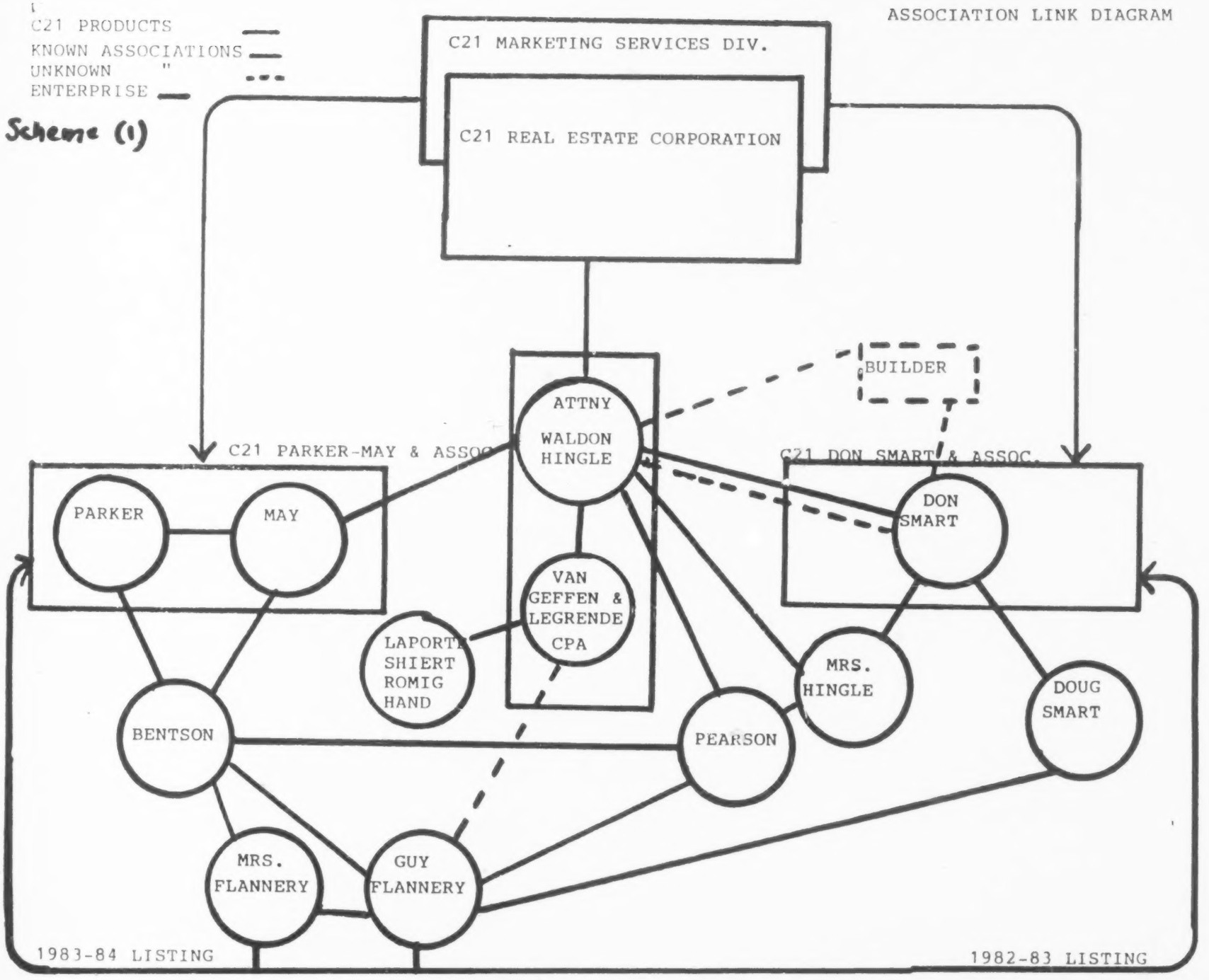

FEB 26
FEB 27
FEB 28
FEB 29
FEB 29
MAR 1
OFS MTG-HINGL ADVISE #170 BORGEN SURVEY CK $150
TELE. RE: ACT OF SALE TERMITE INSP
TELE. VERIFY CLOSING TIME
MTG CLOSING $56,466 ACT-OF-SL CASHIERS CKCK #42
MTG CLOSING: FRAUD OMISSIONS MISREP
MAIL CLOSING DOCUMENT
C21 AGENT BENTSON
C21 AGENT PEARSON
C21 SMART ATTNY HINGLE
PROPERTY OWNERS-FLANNERY'S
BOB TARQ- FLANNERY REP.
SEEFELD "CLOSING"
FEB 29 84 AFTER 5:00 CLOSED
HINGLE-NOTARY/TARQ WITNESS
(NO HELP IN THE OFFICE)
FEB 29 84 CLOSING
PEARSON NOTIFIES ALL PARTIES BUT SEEFELD HINGLE WILL BE TIED UP LATE 2HRS
WAIT & RUSH CONFUS-SION !
NO DISCLOSURE HINGLE REP. PEARSON AS CLIENT AND ON RETAINER C21 SMART
NOV 12 87 - JUN 16 88
"FOR RESALE" COLDWELL LISTING
MLS # 51995 PEARSON
"TRIGGER" DEC 16 87 COLDWELL-BANKER (FAIR MARKET VALUE) $211,832
SCHEME (6)
(3)
SCHEME (2)
JUN 85
SCHEME PATTERN & CONTINUITY NATURESWAY CONTRACT
FEB 7
FEB 8
MAR 19
MAR 19
TELE. REPEAT HOLIDAY INN 3-PTY SET-UP
MTG FLANNERY SEEFELD HULSFY
TELE. INTIMI-DATION
TELE. RE: ATTNY BILL $25.00
1987
12-20
12-27
INTIMIDA-TION TO PAY
12-28
JAN 15 1988
TELE. SEEFELD AT BUS. NEGOTI-ATE
MISREP. MTG
JAN 25
TELE. HARRASS-MENT TO FORE-CLOSE
MAR 22
TELE. SEEFELD BANKRUPT-CY(MSG ON ANSR PH
FEB 19
MTG BLDG.NO DATION-ADATION CK $200
APR 14
ATTNY HAND FOR FLANNERY DATION?
MAY 15
ONLY LAND APPRAISAL BY LEADER PHONEY
SCHEME (3)
OCT 20 86
22JDC #91203 C21 PARKER-MAY & ASSOC JUDGMENT CLOSED
1988
OPEN PMA & ASSOC
1988
SERVED PMA& ASSOC REFUSED TO ANSWER COMPLAINT

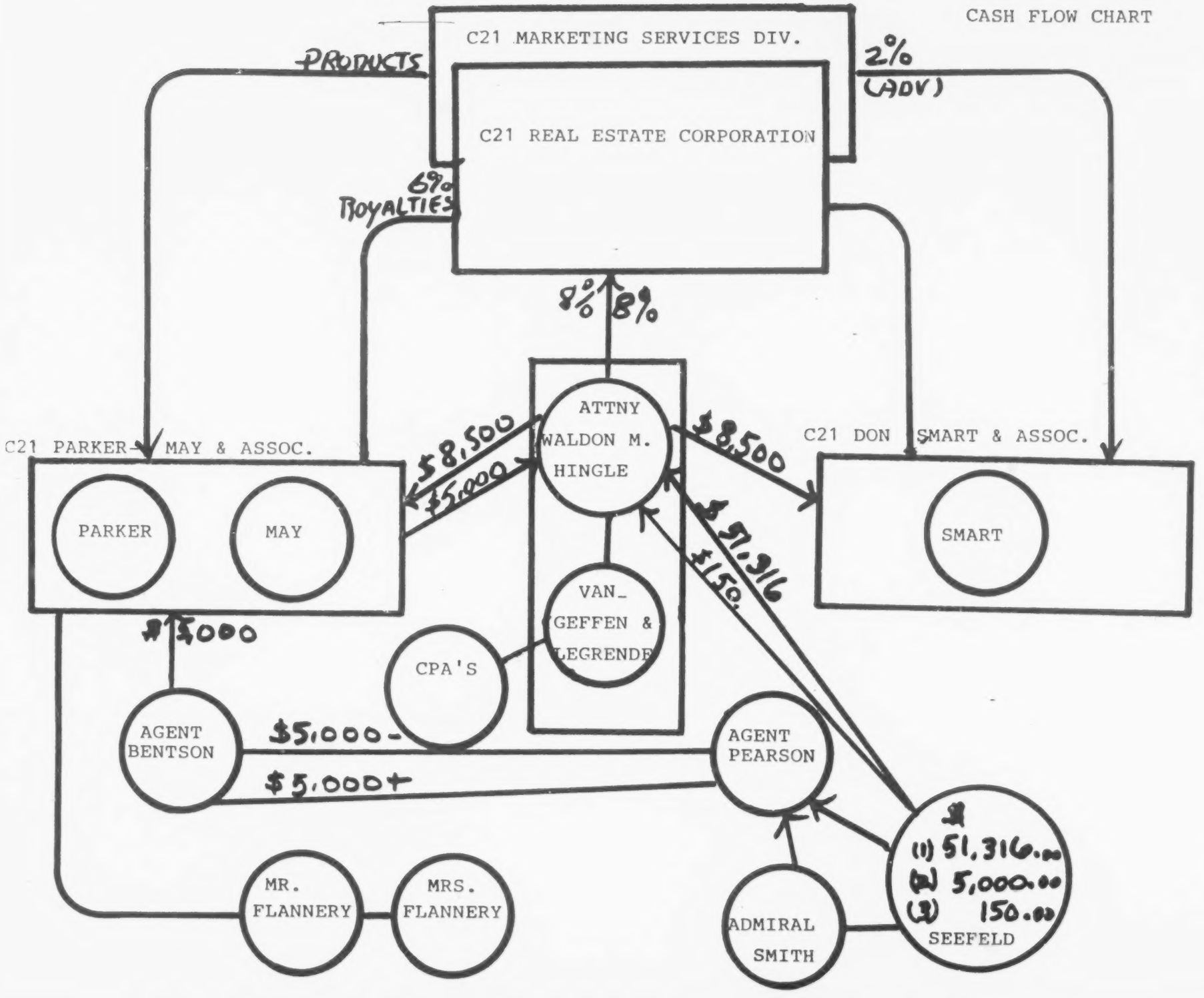

1988
WIRE
UNKNOWN PARTIES TO SET SEEFELD UP FOR DRUGS PROSTITUTION & OCCULT
INTIMIDATION
MAR 84
(1)
MAIL WATERWELL ACKNOWLEDGMENT
MAIL DOCUMENTS TO THE COURT FOR FILING
MAIL COURT RETURN COPY
MAR 21
MAR 22
MAY 18
AUG 88
MAIL TITLE INSURANCE #AZ421426 CLIENT
MAIL BILL FOR LEGAL SERVICES CLIENT
MAIL LEGAL SERVICES CLIENT
MAIL FILE COPY INCOMPLETE TO CLIENT
MAIL PONTCHAR TRAIN TITLE COPY
MAIL TITLE INS MINNESOTA COPY
C21 1982 LISTING $350,000
C21 1983 LISTING $325,000
1983 CLAIMED WORTH $400,000
COLDWELL BANKER
4-03-88
2-28-88
MAIL SENTRY A I-10
2-27-87
1-24-87
APR 88
I-10 MAIL LISTING CANCEL
FEB 22 88
MAIL MARKET ANALYSIS 113 PROP
NO MARKET ANALYSIS I-10
MAR 88
MAIL 3 DEED FAX RE 1984 PROPERTY
CREDIT UNION FUNDS TIDE-WATER
NO APPRAISAL AS BUYER
NO APPRAISAL AS SELLER
DEC 1983 SEEFELD $275,000 PURCH
JUN 25 88
REC LICENSE LATTER & BLUM LIC.# 25242645
(2)
JUN 2
JUN 27
ATTNY HAND LIABLE
THREAT RE: THRU BANKRUPTCY- STOP INVSTGN
TELE. HAND INTIMIDATE SEEFELDS ATTNY
(3)
JAN 89
SHERIFFS SALE & ATTNY HAND APPRAISAL- IMPRMTS $93,450 BY FLANNERY
MAY 89
FALSE LEADER APPRAISAL LAND ONLY $195,000 BY FLANNERY
FEB 1984 TRUAX/MAI APPRAISAL $89,000
JAN 25
SHERIFFS SALE FLANNERY'S $133,334 PURCH
FEB 1989 TRUAX/MAI APPRAISAL $85,000
AUG 30
MAY 17
CREDITOR MEETING APPRAISAL FALSE
FRAUD APSL AT MOTION-DISMISS BKRPCY
VERBAL HAND- 40% DOWN REAL ESTATE VALUE
500% VALUE UP APPRAISAL HAND
BANKS FOLD REAL ESTATE 60% DOWN & FRAUD
JAN 89
JAN 89
JAN 91
SHERIFF SALE APPRAISAL $207,500
SHERIFF SALE APPRAISAL $200,000
TAXES $656.22 = 10% OF FMV $35,000 = $3,500
BLOSSMAN/HAND ATTNY FOR
MAIL FLANNERY FORECLOSURE INTIMIDATIC LETTER FEB 88
HAND/ FLANNERY APPRAISAL $93,450 SHERIFF'S- $200,000 LESS THAN VALUE
INSURED PURCHASE $275,000 FLANNERY/ SHERIFF'S SALE $133,334 LESS
SHERIFFS SALE $133,334 TAI FAIR MKT $35,000 LESS THAN VLU
22JDC JOHN & JOELLA ALSOBROOKS
SCHEME (4)

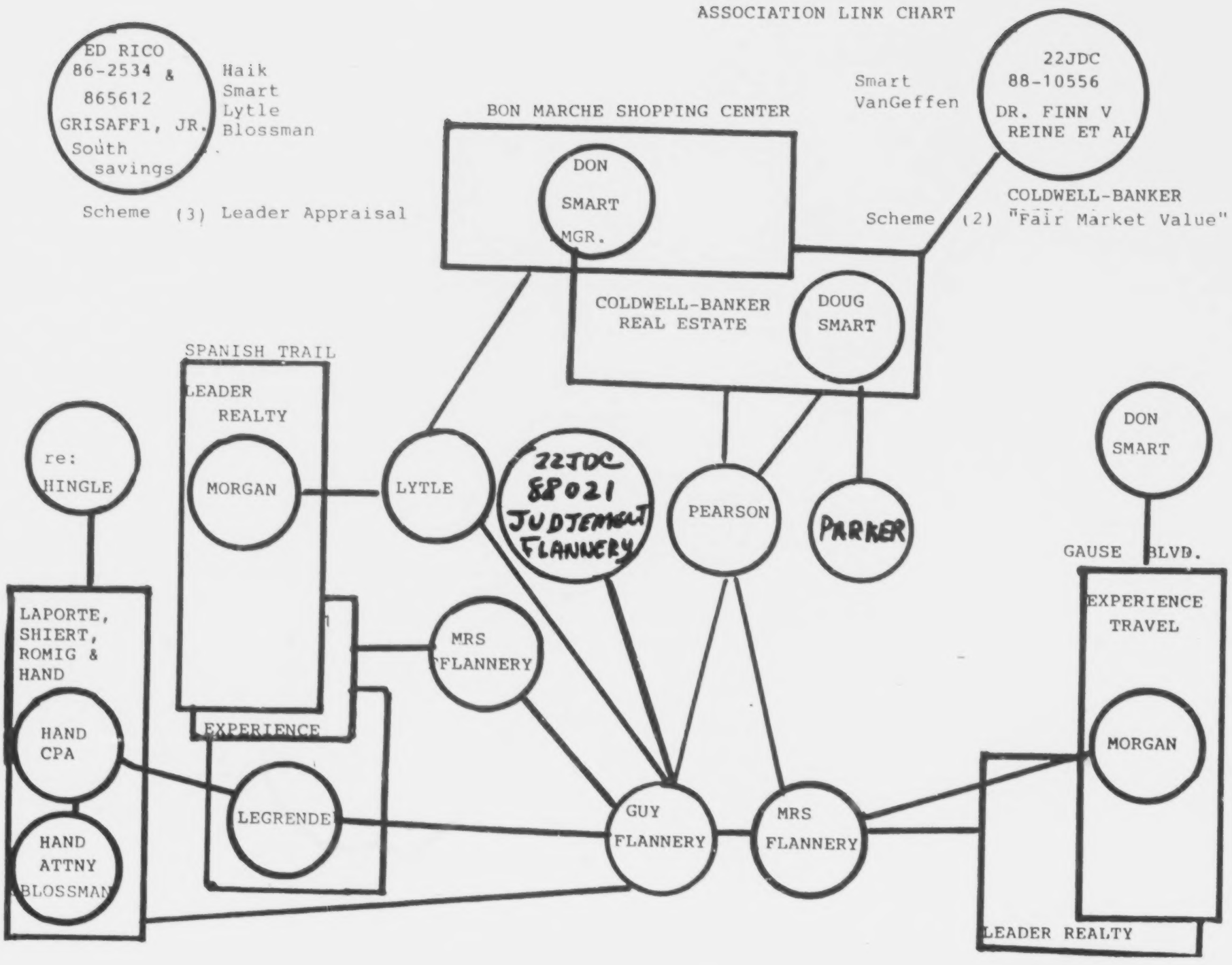


App. 277

Cassandra
(12)
91


C21 PRODUCTS
KNOWN ASSOCIATIONS
UNKNOWN "
ENTERPRISE
Scheme (1)
ASSOCIATION LINK DIAGRAM
C21 MARKETING SERVICES DIV.
C21 REAL ESTATE CORPORATION
BUILDER
ATTNY
WALDON
HINGLE
C21 PARKER-MAY & ASSOC.
C21 DON SMART & ASSOC.
PARKER
MAY
DON
SMART
VAN
GEFFEN &
LEGRENDE
CPA
LAPORTE
SHIERT
ROMIG
HAND
MRS.
HINGLE
DOUG
SMART
BENTSON
PEARSON
MRS.
FLANNERY
GUY
FLANNERY
1983-84 LISTING
1982-83 LISTING


CASH FLOW CHART
C21 MARKETING SERVICES DIV.
PRODUCTS
2%
(ADV)
C21 REAL ESTATE CORPORATION
6%
ROYALTIES
8%
8%
ATTNY
WALDON M.
HINGLE
$8,500
$5,000
$8,500
C21 PARKER-MAY & ASSOC.
C21 DON SMART & ASSOC.
PARKER
MAY
SMART
$51,316
$150.
$1,000
VAN_
GEFFEN &
LEGRENDE
CPA'S
AGENT
BENTSON
$5,000-
$5,000+
AGENT
PEARSON
MR.
FLANNERY
MRS.
FLANNERY
ADMIRAL
SMITH
(1) 51,316.00
(2) 5,000.00
(3) 150.00
SEEFELD


ASSOCIATION LINK CHART
ED RICO
86-2534 &
865612
GRISAFFI, JR.
South
savings
Haik
Smart
Lytle
Blossman
Scheme (3) Leader Appraisal
22JDC
88-10556
DR. FINN V
REINE ET AL
Smart
VanGeffen
Scheme (2) "Fair Market Value"
COLDWELL-BANKER
BON MARCHE SHOPPING CENTER
DON
SMART
MGR.
COLDWELL-BANKER
REAL ESTATE
DOUG
SMART
SPANISH TRAIL
LEADER
REALTY
MORGAN
re:
HINGLE
LYTLE
22JDC
88021
JUDGEMENT
FLANNERY
PEARSON
PARKER
DON
SMART
GAUSE BLVD.
LAPORTE,
SHIERT,
ROMIG &
HAND
HAND
CPA
HAND
ATTNY
BLOSSMAN
MRS
FLANNERY
EXPERIENCE
LEGRENDE
GUY
FLANNERY
MRS
FLANNERY
EXPERIENCE
TRAVEL
MORGAN
LEADER REALTY

Village Apartments, a Louisiana partnership

Entry No	Date	Land	Amount	Parties
505093	2/25/83	All	$326,700 Sale	Clover Cons.→ Oasis Corp. Smart Hingle
505094	2/25/83	All	$450,000 Sale	Oasis Corp.→ Village Apts. Smart Hingle
505095	2/25/83	All	Survey	Hingle
505096	2/25/83	All	$4M Col.Mtg.	Smart Hingle
505097	2/25/83	All	$81,675 2nd Mtg.	Smart Hingle
505098	2/25/83	All	$30,825 2nd Mtg.	Smart Hingle

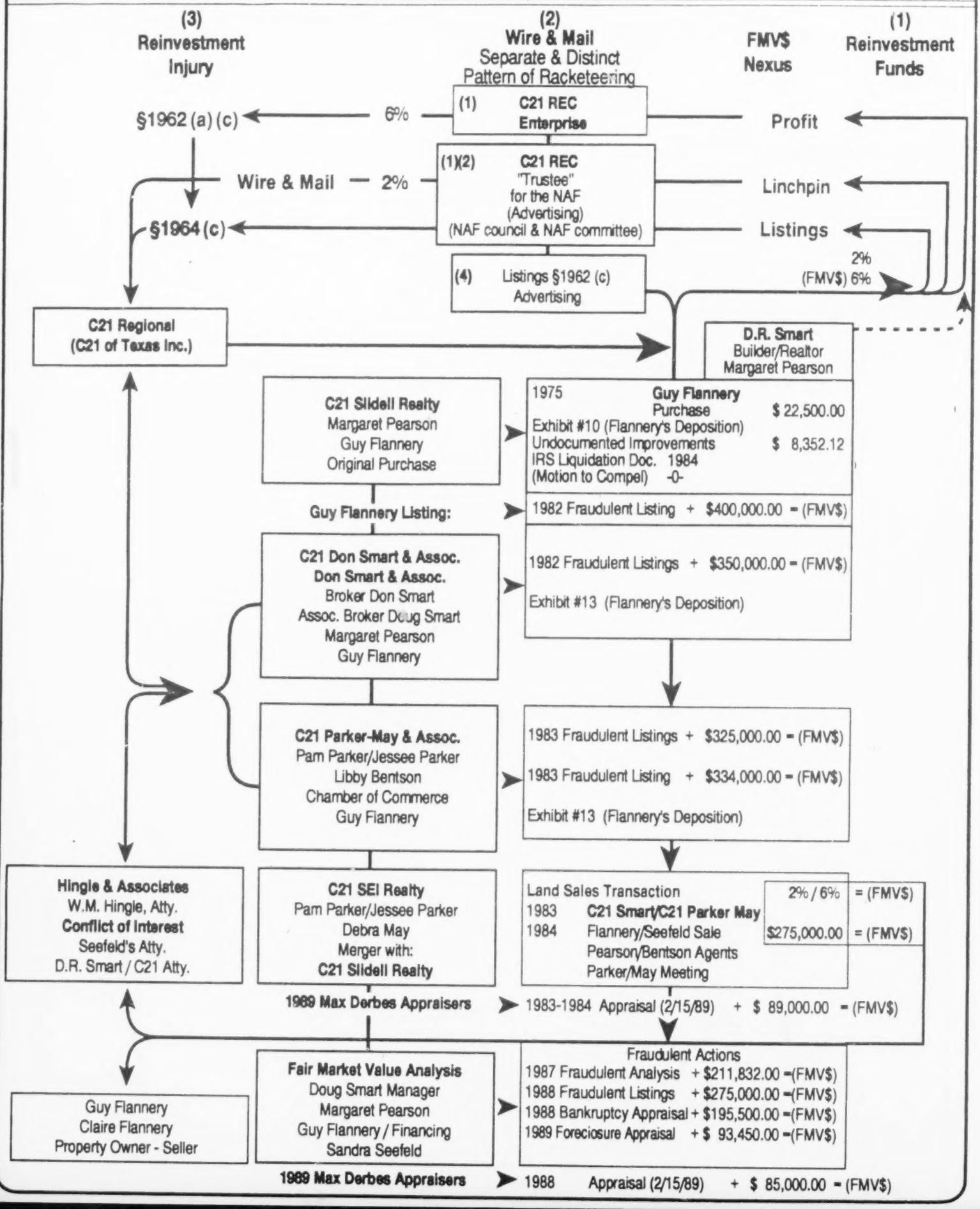
East Expressway Shopping Center

Entry No	Date	Land	Amount	Parties
545092	6/1/84	Lots 31-32-33	$600,000	Broyles→ Eastway Smart Hingle
545093	6/1/84	same as above	$500,000 Col Mtg.	Smart Hingle
545094	6/1/84	same as above	$180,000 2nd Mtg.	Broyles Eastway Smart Hingle
554894	8/??/84	Lot 10	$78,000	Guevara→ Eastway Smart Olano
555387	8/23/84	Lot 2	$143,502	Pinewood Mall→ Eastway Smart Olano
555396	8/10/84	Lot 9	$140,000	Rogers→ R-II
555397	8/10/84	Lot 9	$275,000	R-II→ Eastway Smart Olano
555556	8/23/84	Lots 3-4	$395,830	Commander's Palace→ Eastway Smart Olano

555559	8/23/84	Lot 1	$128,778	Silva→ Eastway Smart Olano
555730	8/23/84	Lot 8	$138,900	Ricco-bono, et al→ Eastway Smart Olano
555732	8/23/84	Lot 5	$100,000	Henican→ Eastway Smart Olano
555733	8/23/84	Lot 6	$100,000	Robbert→ Eastway Smart Olano
556317	8/30/84	Lots 1-10	unstated	Eastway→ to its Individ-uals Partners Smart Olano
556318	8/23/84	Lots 12-13	$284,500	Nash Roberts→ Individ-ual Partners Smart Olano

556319	8/30/84	Lot 15	$130,662	Pinewood Mall→ Individual Partners Smart Olano
556320	8/30/84	Lot 11	$106,660	McHale→ Individual Partners Smart Olano
556321	8/30/84	Lot 14	$122,300	Prieto→ Individual Partners Smart Olano
556323	8/23/84	Lots 1-9	$3M Col Mtg.	Eastway Smart Olano
556324	8/30/84	Lots 1-15 Lots 31-33	$5M Col Mtg.	Individual Partners Smart Olano
556683	8/30/84	Assignment of Leases (Lots 1-15)	$3,622,-218	Individual Partners Smart Olano
557387	8/23/84	Lot 7	$95,312	Orr→ Eastway Smart Olano

RACKETEERING ACTIVITY CHART



RACKETEERING ACTIVITY CHART

Contested Geniune Issues of Material Facts: Even Appellee's, Flannery purchase (1 acre) & sale to Appellant thru Appellee, C21, are numerous transactions.

(1) **Receipt of Racketeering Income** - (2% & 6% Gross Revenues from FMV$*)

(2) **False & Misleading Advertising** (Affecting FMV$)

A. Proper Evaluation - Attention to detail - Trust C21 System
B. Expert, Specialist Professionals (C21 System Training of FMV$)
C. Trust C21 System of Advertising Claims: **is (Listings is Land FMV$) (FMV$) of product & services excessively overvalued & false.**

(3) **Relied - False Advertising C21 System, Products & Services / RICO Violations** - Appellant, Seefeld Injury Business, Intellectual & Real Property Losses 8years.

(4) **FMV$ of Property was excessively overvalued**

**FMV$= Fair Market Value Dollars*

Enchanted Minikins & Co of Outerspace, Inc.

New Orleans, Lousiana
(504)-646-0614
FRENCH QUARTER
(504) 522-9948
OPEN 7 DAYS WEEK

CaSSandra
113 Rue Holiday
Slidell, LA 70461

March 12, 1991

AFFILIATED REPORTING TECHNOLOGY, INC.
755 Magazine Street, Suite 200
New Orleans, La. 70130
Attention: Theresa Tortorich

Theresa,

I discovered a "final list" of note corrections regarding the Seefeld deposition, together with a section of exhibits entitled "Building Expenses/Damages". Mr. Berrigan's yellow note tabs, one at the beginning and one at the end, indicate his desire to receive a copy of same.

Please find herewith, the *corrected* final sheet of the court reporter forms and the additional exhibits requested.

The above referenced will also include a copy of the corrected Exhibit List reflecting the addition. The items will be hand delivered as of this date. If you have any questions, please advise.

Respectfully,

/s/ CaSSandra Seefeld
CaSSandra Seefeld
113 Rue Holiday
Slidell, La. 70461
CS:ss

Mardi Gras!
GREETING DOLLS & CARDS

SUMMARY OF "ACTUAL" DAMAGES

SALES	YEAR	2% TAX PARISH	4% TAX STATE	BUILDING	WORK COMPLETED	COPYRIGHTS
$ 25.00	1984	$ .50	$ 1.00	Under Const.	Museum & Paintings	83/84 #701 338
1,079.00	1985	22.06	44.12	Creating Museum	Decor & Paintings	85 #701 338
874.00	1986	21.12	42.24	Making Costumes	Photos & Paintings	86 #113 094
328.00	1987	14.00/32.04	14.00	Creating Products	Color Book/Paintings	87 #113 093
802.00	1988	50.00 Whl/Sl	W/S	Marketing "	Enchanted Minikins	87 #109 442
					Greeting Cards	87 #112 443
					Coloring Books	87 #114 939
	87/88	Contract: Enchanted Minikin Rep. Agrmt:			Enchanted Minikins-Stickies	
					Coloring Books	87/88 #113 416
					Greeting Cards	#114 940
						#131 486
	87/88	Contract: Toys From Outer Space:			Space Toys & Dolls	87/88 #131 487
	1990	Contract: Lafayette Parish Correctional Ctr. Negotiations Re: Oakdale			Mass-Manufacturing Mass-Manufacturing	
	1990	Pending Negotiations Re: Throws			Crybabies & Zulu Coconuts	90 Mailed
	1990	J.T.P.A.			Training Program	

DAMAGES:

Investigation & Litigation Exp.	Year	Misc. Supplies	Resale Inventory		Not Resale Inventory	Business Investment	Total	Legal Fees	& Costs
	1983	$	$		$	$ 31,036.59	$ 31,036.59	$	$
	1984	1,259.79	6,393.97		5,632.66		13,286.42		
	1985	1,338.79	1,328.32		1,608.77		4,275.88		
	1986	1,801.76	5,522.74		4,957.05		12,281.55		
$	1987	112.00	2,929.00				3,041.00		
15,031.75	1988	357.23		DHP	1,090.81		1,448.04	6,960.00	397.18
231.47	1988								
3,425.29	1989	188.10	2,173.97				2,362.07	4,398.75	9,743.19
2,276.00	1990	247.97	2,503.00				2,750.97	18,360.00	2,847.78
								$29,718.75	12,988.15
($ 20,964.51)		$5,305.64	$20,851.00		$13,289.29	$ 31,036.59	($ 70,482.52)	($42,706.90)	

EXHIBIT LIST "A"

#1	BUSINESS	Circular Index
#2	DAMAGES-	Summary of Expenses/ Compilation
		W.I.L.L. Letter By J. Carr
#3	APPRAISALS &	Circular Index
#4	COMPS.-	Complete Volume
#5	DOCUMENT-	Agreement to Purchase/Sell 12-30-83
#6	DOCUMENT-	Predication
#7	MUSEUM-	Photographs
#8	DOLLS-	Enchanted Minikin Mardi Gras Greeting Dolls & Cards
#9	MUSEUM-	Brochure
#10	COMMERCIAL PROPERTY & SUITS-	Circular Index
	" "	Complete Volume
#11	" "	Eastway Group
#12	" "	Village Apartments
#13	" "	Giangrosso Suit
#14	" "	Drewes Suit
#15	" "	Bon Marche Shopping Center
#16	" "	Kings Square Apartments
#17	" "	Lauren Plaza Shopping Center
#18	" "	Robert Plaza Shopping Center
#19	" "	Century Plaza Center
#20	" "	Brown's Village Shopping Center
#21	" "	Holiday Inn Mortgage

EXHIBIT LIST "B"
(Yellow Note Tabs)

SECTION		
	Unmarked Tabs	Building Expenses/Damages – Complete Volume
#201	"Copy All"	Sales Licenses & Reports
#202	"Copy 88/89"	Income Tax Returns
#203	"Program Roster"	Louisiana Crafts Participant Roster
#205	"Notice of Abandonment"	Patent Information
#206	"Lists Only"	Copyrights
	"Copy This"	Copyright Only (Enchanted Minikin/Outer Space)
#211	"LPPC"	Enchanted Minikin Order Form – Dolls
		Exhibit B – Mr. Dugas Letter
		J. Carr – Mr. Mouton Letter
		CaSSandra – Mr. Mouton Letter
		Contract Agreement #1
#214	"Copy"	Neiman Marcus Letter
	"Copy" Walt Disney World Letter	
#216	"Channel 41"	New Articles – Barbara Trevigne
#218	"Copy"	Tourist News Articles – Hello Dolly
#229	"Copy Ltrs"	Re: New York Trade Show

EXHIBIT LIST "C"
(Requests in Transcript)

Flannery – Taped Conversation
Sale – Galveston Property

EXHIBIT LIST "D"
(Commercial Prop. & Suits)
Bank Info. & Articles

(See #10 Complete Volume Request)
Balance Without Exhibit Numbers

SECTION – SUITS

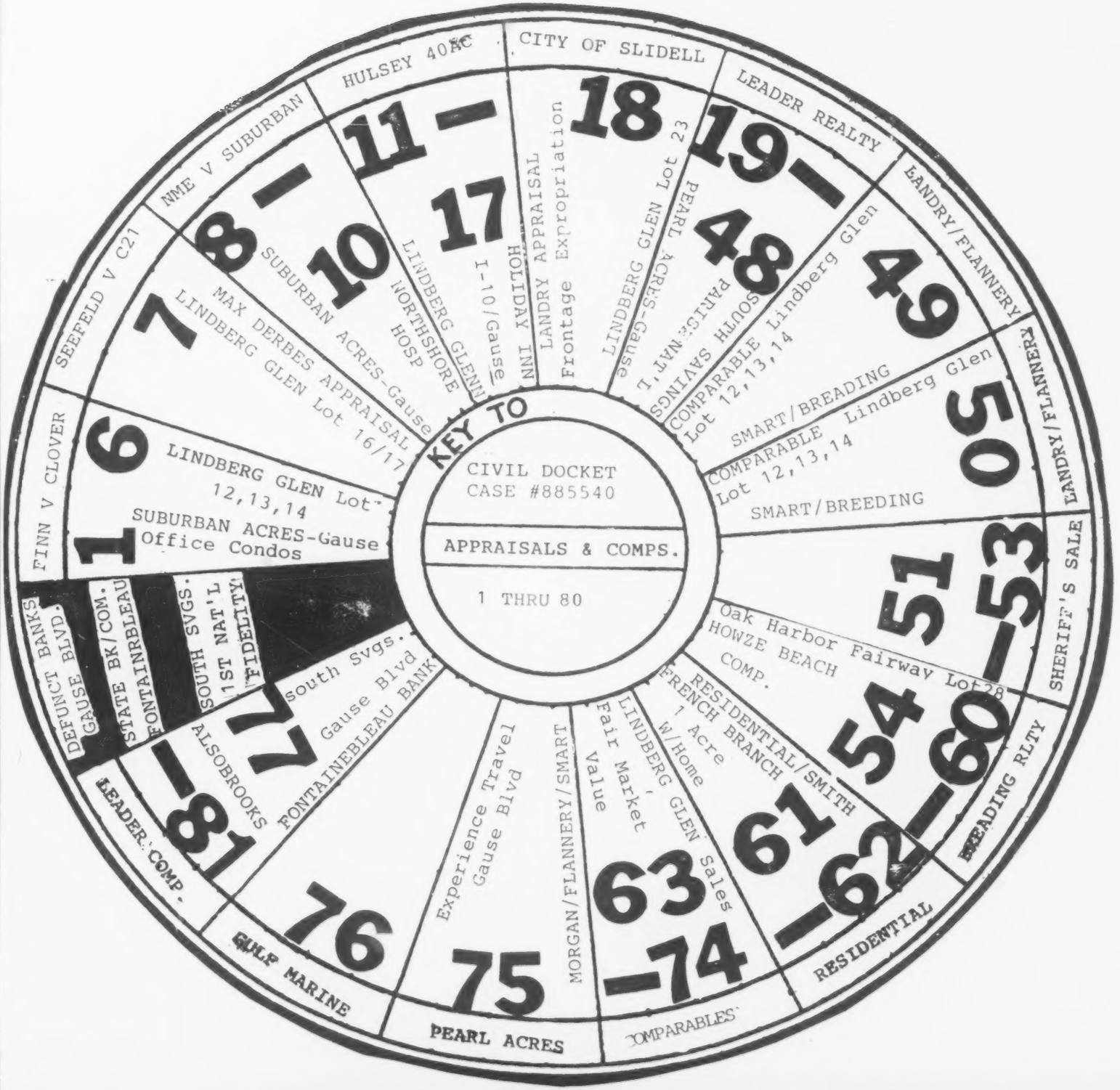
Weber vs. Smart & Assoc. East
Smart vs. Headrick
C lover Const. vs. Smart et.al.
McCoy vs. Smart & Assoc.
Smart/Universal Law Equipt Lease Agrmt. Ford vs. Smart
Reine vs. Lepore (Gulf Sands, Inc. Smart Cndos)
State Bank of Commerce vs. Smart
Elguezabul vs. Smart & Assoc.
Pravata vs. Smart & Assoc.
Public Notices re: Comm. Prop.

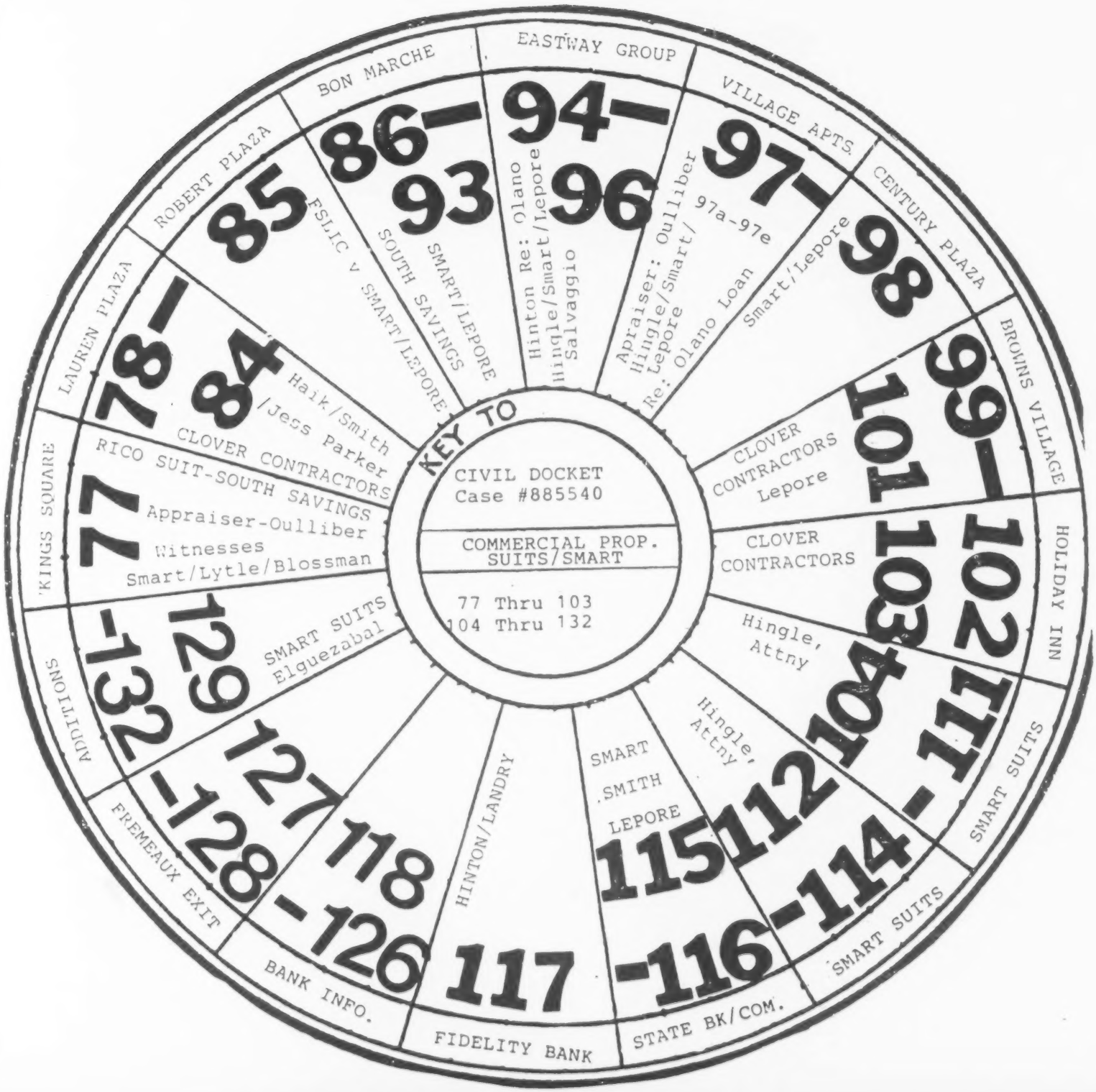
SECTION – BANK INFO/STATEMENT OF CONDITION

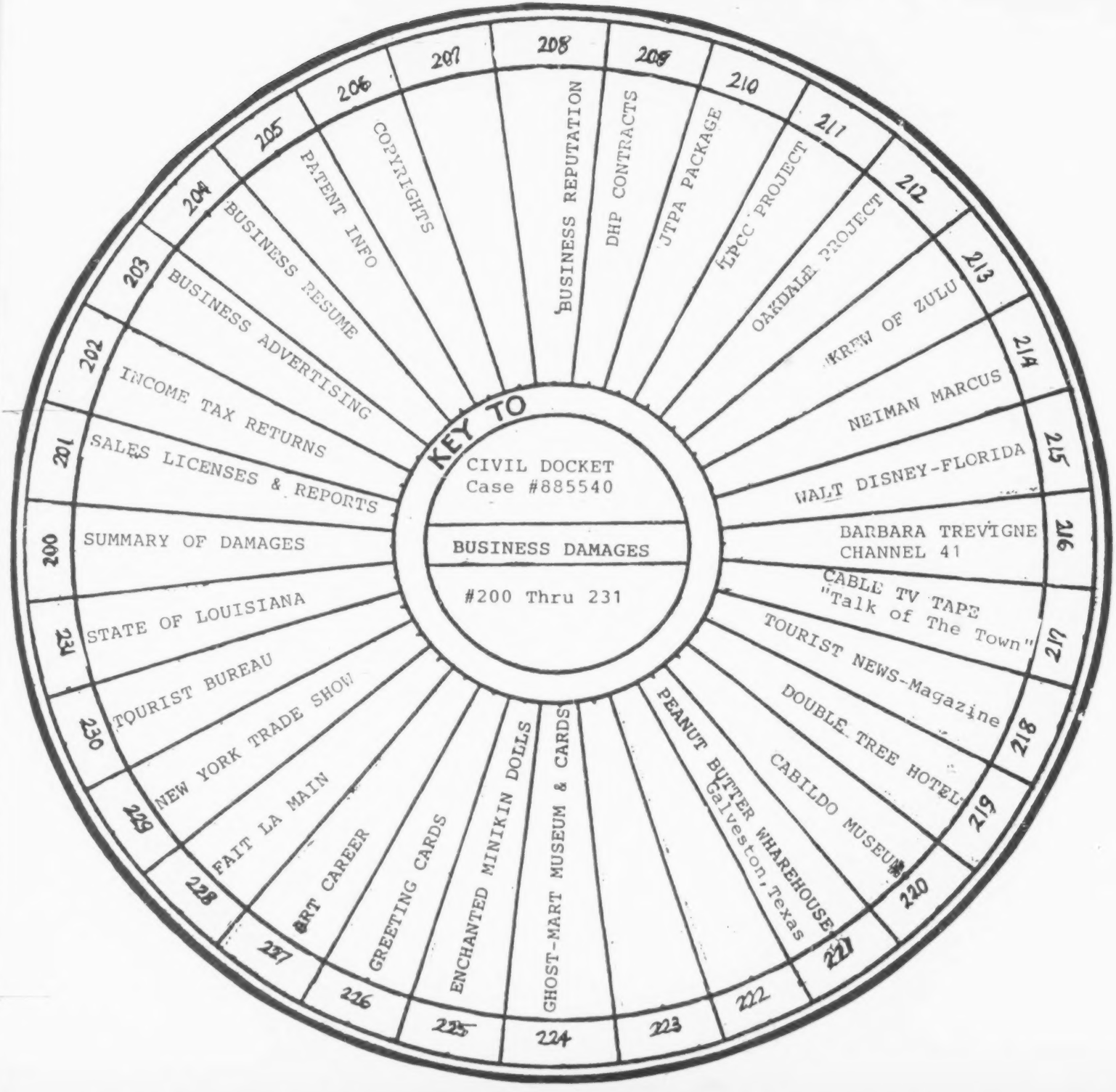
State Bank of Commerce
" " " Lease/Lands of St. Tammany
St. Tammany Bank
Fidelity Bank
Hingle Letter & Seefeld Act of Sale
Parish National Bank

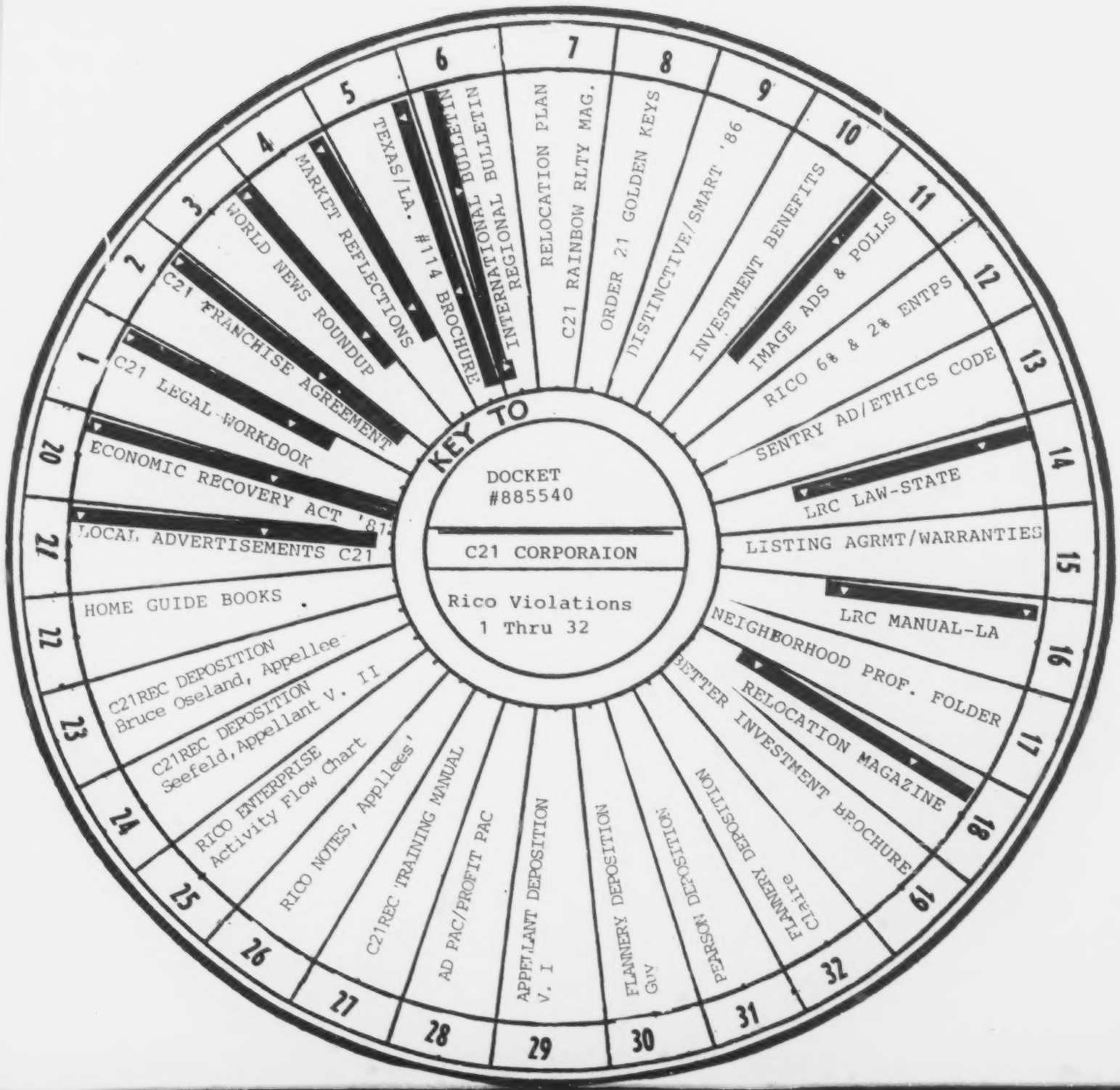
PUBLISHED ARTICLES

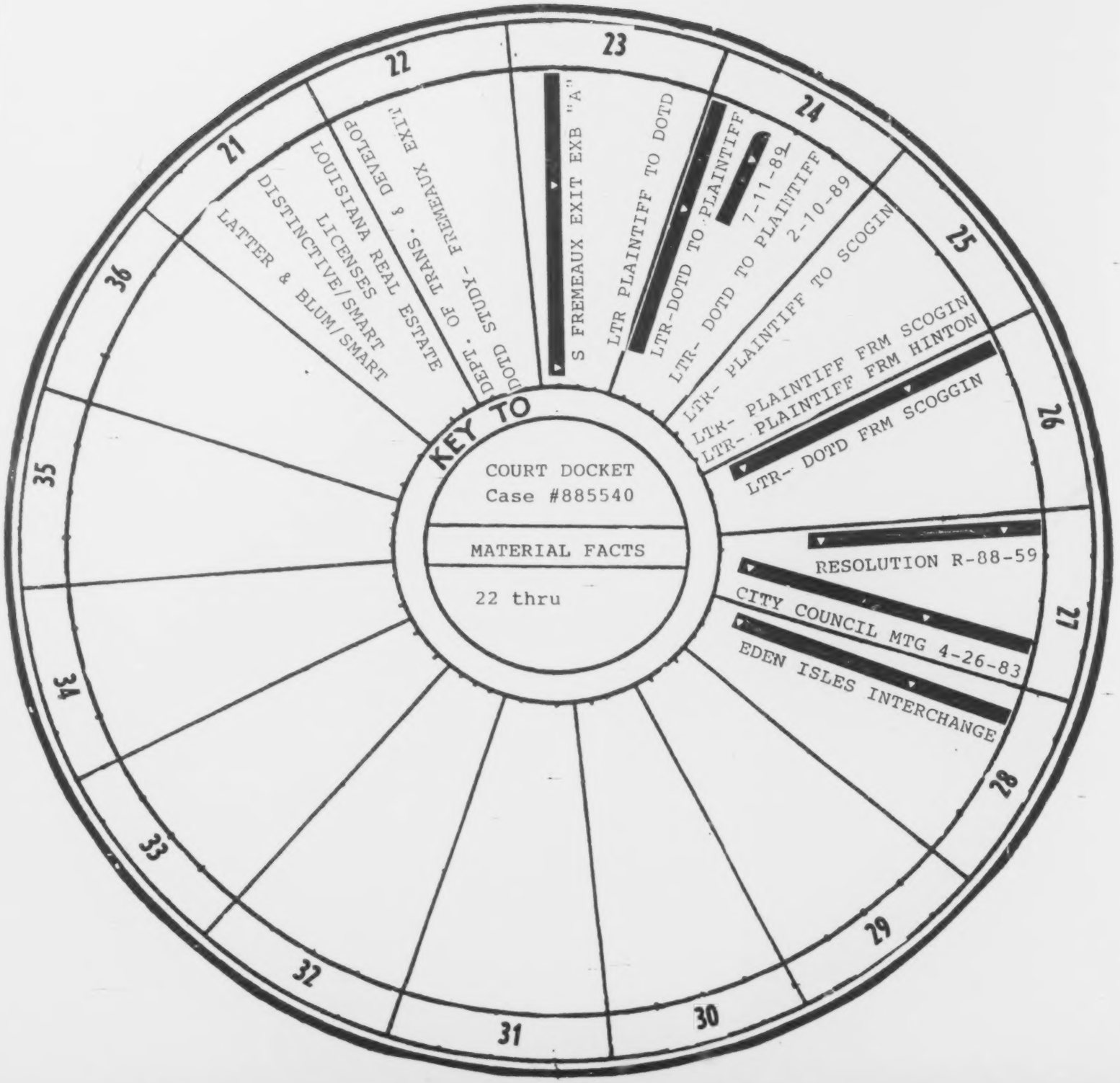
Comptroller attacks Banks over Real Estate
Inside Job
F.B.I. Probe – First National Bank
120 Loose Jobs
Legacy of a Bank Failure
Officers – 5 Part series re: Loan Fires
Aliance Savings & Loan – Exects must Pay $86 M
South Savings & Loan
Miramon Resigns – Conflict of Interest
Debt – Skullduggery

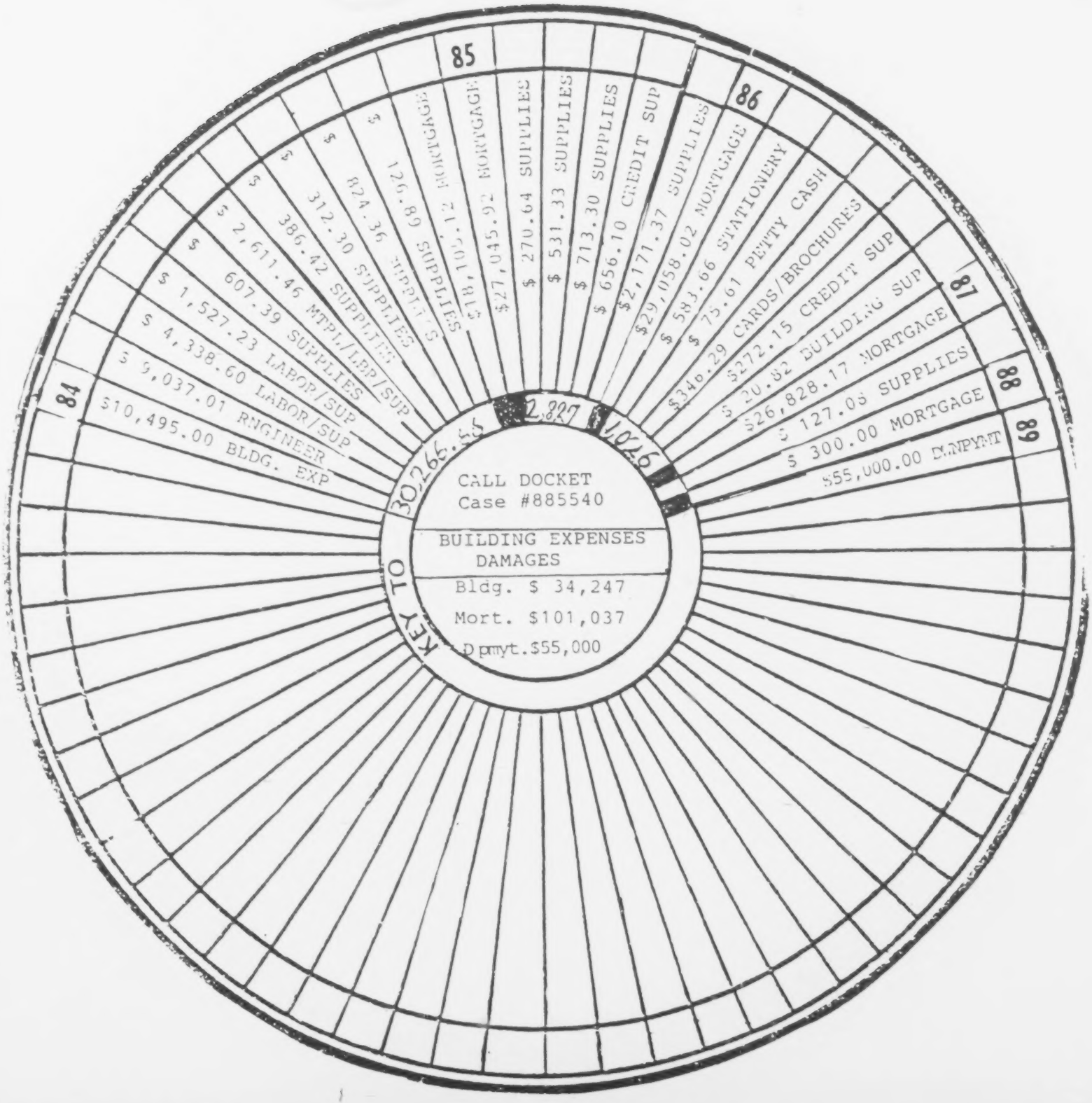

KEY TO
CIVIL DOCKET
CASE #885540
APPRAISALS & COMPS.
1 THRU 80
HULSEY 40AC
CITY OF SLIDELL
LEADER REALTY
EANDRY/FLANNERY
NME V SUBURBAN
SEEFELD V C21
FINN V CLOVER
DEFUNCT BANKS
GAUSE BLVD.
STATE BK/COM.
FONTAINRBLEAU
SOUTH SVGS.
1ST NAT'L
FIDELITY
ALSOBROOKS
FONTAINEBLEAU BANK
LEADER COMP.
GULF MARINE
PEARL ACRES
MORGAN/FLANNERY/SMART
COMPARABLES
RESIDENTIAL
BREADING RLTY
SHERIFF'S SALE
LANDRY/FLANNERY
SUBURBAN ACRES-Gause
LINDBERG GLENN
NORTHSHORE HOSP
I-10/Gause
HOLIDAY INN
LANDRY APPRAISAL
Frontage Expropriation
LINDBERG GLEN Lot 23
PEARL ACRES-Gause
PARISH NAT'L SAVINGS
COMPARABLE Lindberg Glen
Lot 12,13,14
SMART/BREADING
COMPARABLE Lindberg Glen
Lot 12,13,14
SMART/BREEDING
Oak Harbor Fairway Lot28
HOWZE BEACH
COMP.
RESIDENTIAL/SMITH
FRENCH BRANCH
1 Acre
W/Home
LINDBERG GLEN Sales
Fair Market
Value
Experience Travel
Gause Blvd
South Svgs.
Gause Blvd
MAX DERBES APPRAISAL
LINDBERG GLEN Lot 16/17
SUBURBAN ACRES-Gause
Office Condos
LINDBERG GLEN Lot
12,13,14
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80

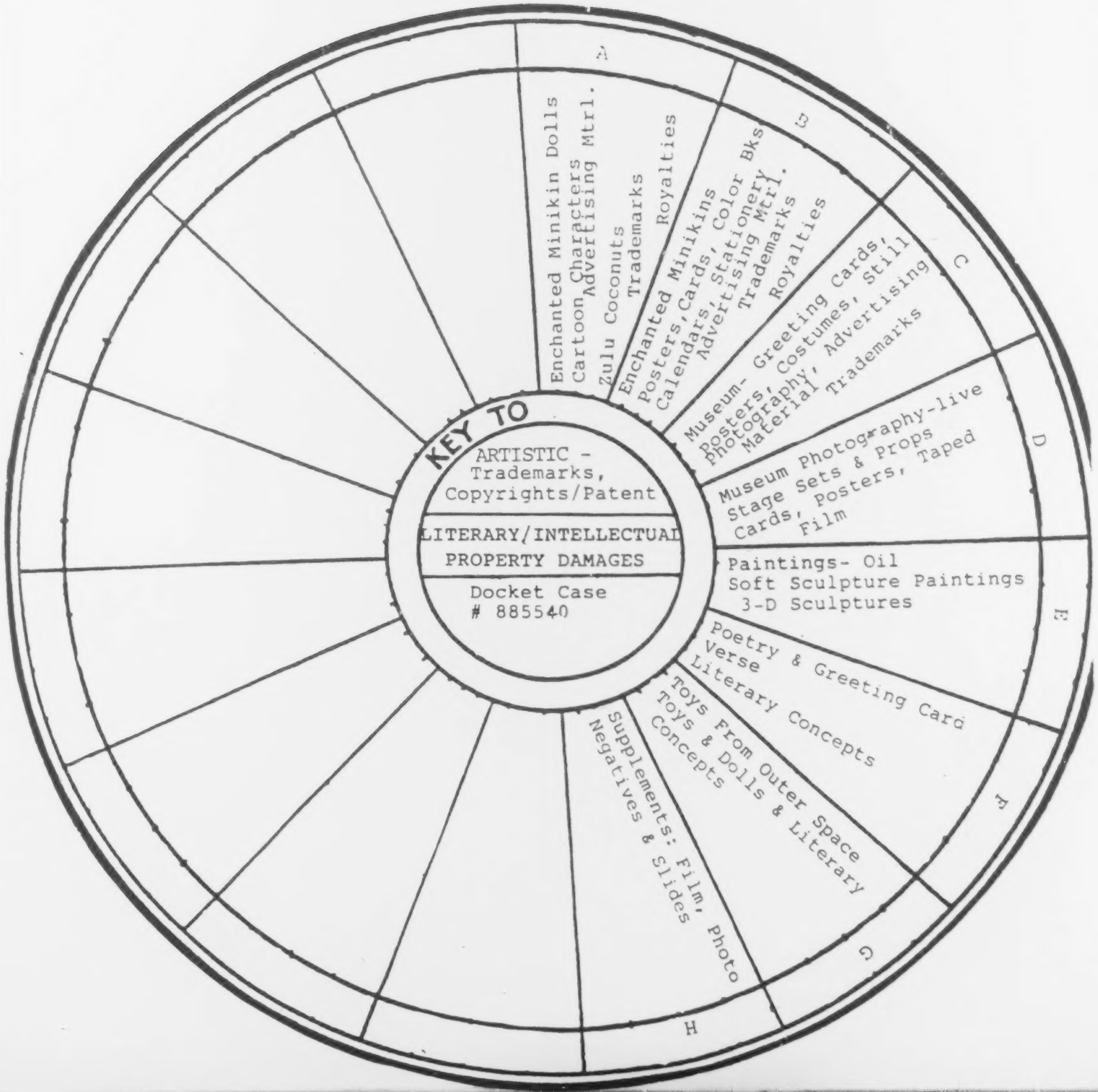

KEY TO
CIVIL DOCKET
Case #885540
COMMERCIAL PROP.
SUITS/SMART
77 Thru 103
104 Thru 132
BON MARCHE
EASTWAY GROUP
VILLAGE APTS.
CENTURY PLAZA
BROWNS VILLAGE
HOLIDAY INN
SMART SUITS
SMART SUITS
SMART SUITS
STATE BK/COM.
FIDELITY BANK
BANK INFO.
FREMEAUX EXIT
ADDITIONS
KINGS SQUARE
LAUREN PLAZA
ROBERT PLAZA
86-93
SOUTH SAVINGS
SMART/LEPORE
94-96
Hinton Re: Olano
Hingle/Smart/Lepore
Salvaggio
97
Apraiser: Oulliber
Hingle/Smart/
Lepore
Re: Olano Loan
97a-97e
98
Smart/Lepore
99-101
CLOVER
CONTRACTORS
Lepore
102-103
CLOVER
CONTRACTORS
104-111
Hingle,
Attny
112-114
Hingle,
Attny
SMART
SMITH
LEPORE
115-116
HINTON/LANDRY
117
118-126
127-128
SMART SUITS
Elguezabal
129-132
77
RICO SUIT-SOUTH SAVINGS
Appraiser-Oulliber
Witnesses
Smart/Lytle/Blossman
78-84
CLOVER CONTRACTORS
Haik/Smith
/Jess Parker
85
FSLIC v SMART/LEPORE

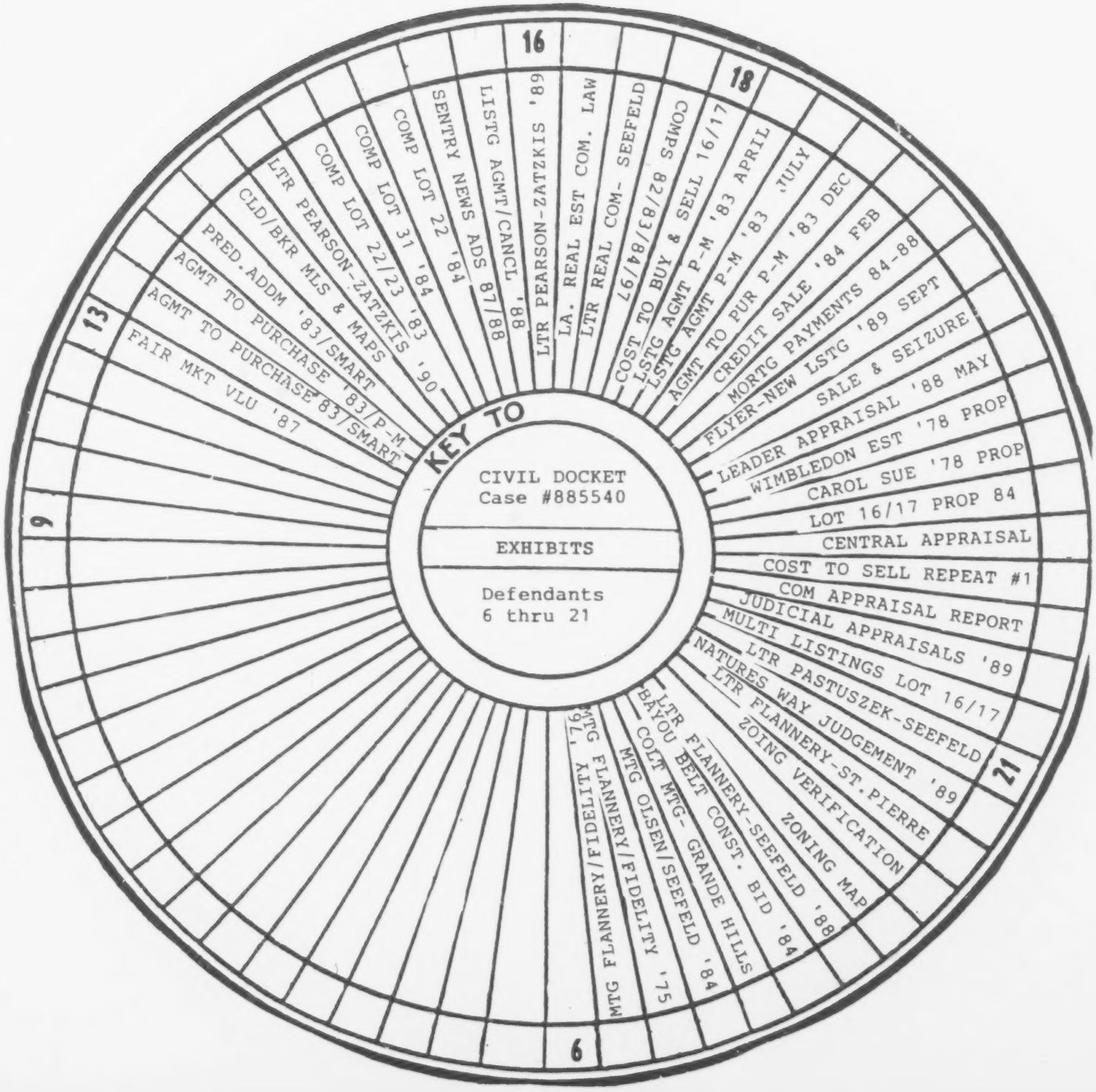

KEY TO
CIVIL DOCKET
Case #885540
BUSINESS DAMAGES
#200 Thru 231
200
SUMMARY OF DAMAGES
201
SALES LICENSES & REPORTS
202
INCOME TAX RETURNS
203
BUSINESS ADVERTISING
204
BUSINESS RESUME
205
PATENT INFO
206
COPYRIGHTS
207
208
BUSINESS REPUTATION
209
DHP CONTRACTS
210
JTPA PACKAGE
211
LPCC PROJECT
212
OAKDALE PROJECT
213
KREW OF ZULU
214
NEIMAN MARCUS
215
WALT DISNEY-FLORIDA
216
BARBARA TREVIGNE
CHANNEL 41
217
CABLE TV TAPE
"Talk of The Town"
218
TOURIST NEWS-Magazine
219
DOUBLE TREE HOTEL
220
CABILDO MUSEUM
221
PEANUT BUTTER WHAREHOUSE
Galveston, Texas
222
223
224
GHOST-MART MUSEUM & CARDS
225
ENCHANTED MINIKIN DOLLS
226
GREETING CARDS
227
ART CAREER
228
FAIT LA MAIN
229
NEW YORK TRADE SHOW
230
TOURIST BUREAU
231
STATE OF LOUISIANA

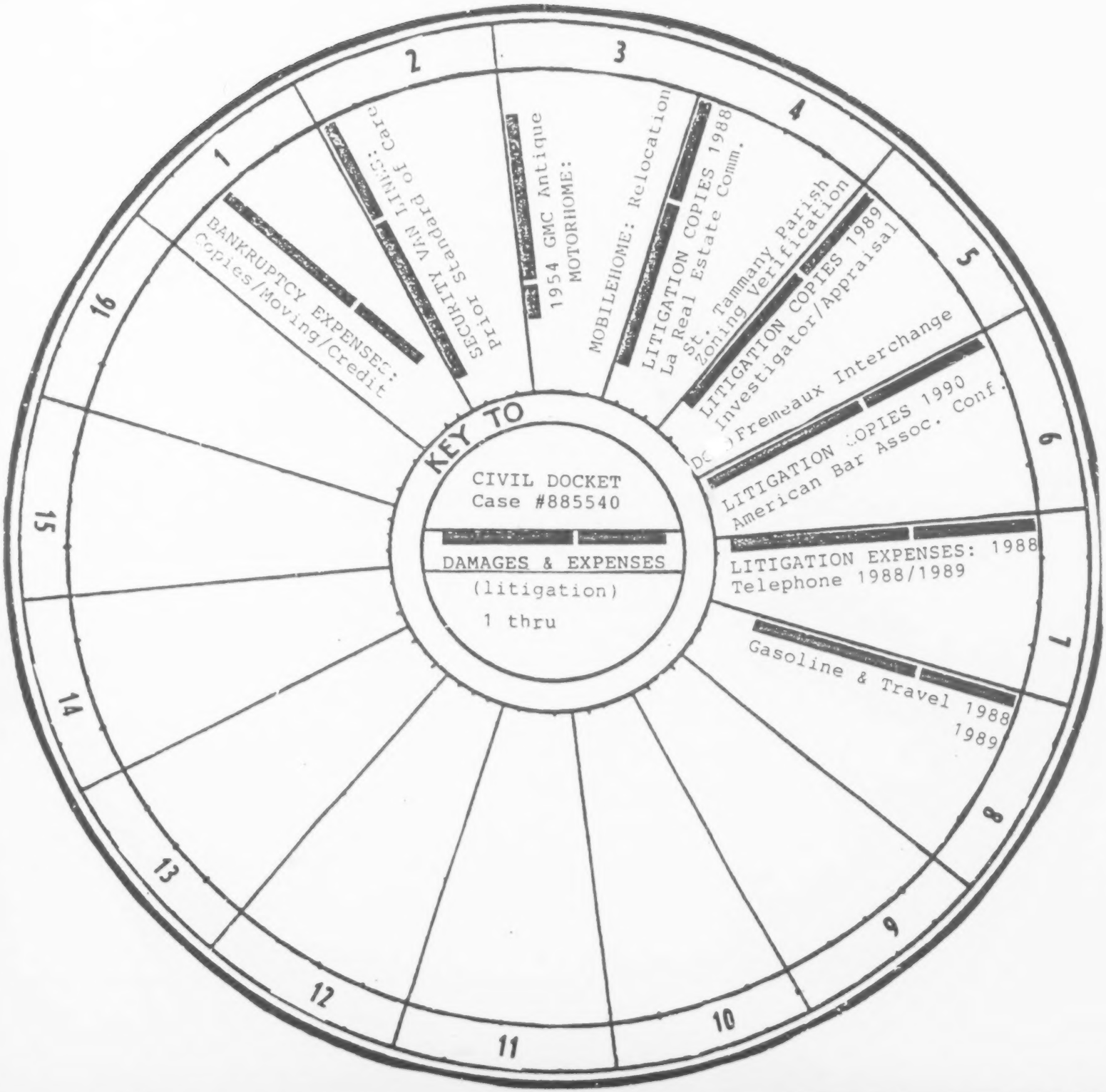

KEY TO
DOCKET
#885540
C21 CORPORAION
Rico Violations
1 Thru 32
1 C21 LEGAL WORKBOOK
2 C21 FRANCHISE AGREEMENT
3 WORLD NEWS ROUNDUP
4 MARKET REFLECTIONS
5 TEXAS/LA. #114 BROCHURE
6 INTERNATIONAL BULLETIN
REGIONAL BULLETIN
7 RELOCATION PLAN
C21 RAINBOW RLTY MAG.
8 ORDER 21 GOLDEN KEYS
9 DISTINCTIVE/SMART '86
10 INVESTMENT BENEFITS
11 IMAGE ADS & POLLS
12 RICO 6% & 2% ENTPS
13 SENTRY AD/ETHICS CODE
14 LRC LAW-STATE
15 LISTING AGRMT/WARRANTIES
16 LRC MANUAL-LA
17 NEIGHBORHOOD PROF. FOLDER
18 RELOCATION MAGAZINE
19 BETTER INVESTMENT BROCHURE
32 FLANNERY DEPOSITION
Claire
31 PEARSON DEPOSITION
30 FLANNERY DEPOSITION
Guy
29 APPELLANT DEPOSITION
V. I
28 AD PAC/PROFIT PAC
27 C21REC TRAINING MANUAL
26 RICO NOTES, Applees'
25 RICO ENTERPRISE
Activity Flow Chart
24 C21REC DEPOSITION
Seefeld, Appellant V. II
23 C21REC DEPOSITION
Bruce Oseland, Appellee
22 HOME GUIDE BOOKS
21 LOCAL ADVERTISEMENTS C21
20 ECONOMIC RECOVERY ACT '81


KEY TO
COURT DOCKET
Case #885540
MATERIAL FACTS
22 thru
S FREMEAUX EXIT EXB "A"
LTR PLAINTIFF TO DOTD
LTR-DOTD TO PLAINTIFF
7-11-89
LTR- DOTD TO PLAINTIFF
2-10-89
LTR- PLAINTIFF TO SCOGIN
LTR- PLAINTIFF FRM SCOGIN
LTR- PLAINTIFF FRM HINTON
LTR- DOTD FRM SCOGGIN
RESOLUTION R-88-59
CITY COUNCIL MTG 4-26-83
EDEN ISLES INTERCHANGE
DOTD STUDY- FREMEAUX EXIT
DEPT. OF TRANS. & DEVELOP
LOUISIANA REAL ESTATE
LICENSES
DISTINCTIVE/SMART
LATTER & BLUM/SMART
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36


84
$10,495.00 BLDG. EXP
$ 9,037.01 ENGINEER
$ 4,338.60 LABOR/SUP
$ 1,527.23 LABOR/SUP
$ 607.39 SUPPLIES
$ 2,611.46 MTPL/LBR/SUP
$ 386.42 SUPPLIES
$ 312.30 SUPPLIES
$ 824.36 SUPPLIES
$ 129.89 SUPPLIES
85
$18,105.12 MORTGAGE
$27,045.92 MORTGAGE
$ 270.64 SUPPLIES
$ 531.33 SUPPLIES
$ 713.30 SUPPLIES
$ 656.10 CREDIT SUP
$2,171.37 SUPPLIES
86
$29,058.02 MORTGAGE
$ 583.66 STATIONERY
$ 75.61 PETTY CASH
$346.29 CARDS/BROCHURES
$272.15 CREDIT SUP
$ 20.82 BUILDING SUP
$26,828.17 MORTGAGE
$ 127.05 SUPPLIES
87
$ 300.00 MORTGAGE
$55,000.00 DNPYMT
88
89
KEY TO
30265.55
2,827
1026
CALL DOCKET
Case #885540
BUILDING EXPENSES
DAMAGES
Bldg. $ 34,247
Mort. $101,037
Dpmyt.$55,000


KEY TO
ARTISTIC - Trademarks, Copyrights/Patent
LITERARY/INTELLECTUAL PROPERTY DAMAGES
Docket Case # 885540
A
Enchanted Minikin Dolls
Cartoon Characters
Advertising Mtrl.
Zulu Coconuts
Trademarks
Royalties
B
Enchanted Minikins
Posters, Cards, Color Bks
Calendars, Stationery
Advertising Mtrl.
Trademarks
Royalties
C
Museum- Greeting Cards,
Posters, Costumes, Still
Photography, Advertising
Material
Trademarks
D
Museum Photography-live
Stage Sets & Props
Cards, Posters, Taped
Film
E
Paintings- Oil
Soft Sculpture Paintings
3-D Sculptures
F
Poetry & Greeting Card
Verse
Literary Concepts
G
Toys From Outer Space
Toys & Dolls & Literary
Concepts
H
Supplements: Film, Photo
Negatives & Slides


KEY TO
CIVIL DOCKET
Case #885540
EXHIBITS
Defendants
6 thru 21
16
18
13
9
6
21
LISTG AGMT/CANCL '88
LTR PEARSON-ZATZKIS '89
LA. REAL EST COM. LAW
LTR REAL COM- SEEFELD
COMPS 82/83/84/97
COST TO BUY & SELL 16/17
LSTG AGMT P-M '83 APRIL
AGMT TO PUR P-M '83 JULY
CREDIT SALE '84 FEB
MORTG PAYMENTS 84-88
FLYER-NEW LSTG '89 SEPT
SALE & SEIZURE
LEADER APPRAISAL '88 MAY
WIMBLEDON EST '78 PROP
CAROL SUE '78 PROP
LOT 16/17 PROP 84
CENTRAL APPRAISAL
COST TO SELL REPEAT #1
COM APPRAISAL REPORT
JUDICIAL APPRAISALS '89
MULTI LISTINGS LOT 16/17
LTR PASTUSZEK-SEEFELD
NATURES WAY JUDGEMENT '89
LTR FLANNERY-ST.PIERRE
ZOING VERIFICATION
ZONING MAP
LTR FLANNERY-SEEFELD '88
BAYOU BELT CONST. BID '84
COLT MTG- GRANDE HILLS
MTG OLSEN/SEEFELD '84
MTG FLANNERY/FIDELITY '75
MTG FLANNERY/FIDELITY '76
SENTRY NEWS ADS 87/88
COMP LOT 22 '84
COMP LOT 31 '84
COMP LOT 22/23 '83
COMP LOT 22/23 '90
LTR PEARSON-ZATZKIS '89
CLD/BKR MLS & MAPS
PRED.ADDM '83/SMART
AGMT TO PURCHASE '83/P-M
AGMT TO PURCHASE 83/SMART
FAIR MKT VLU '87


KEY TO
CIVIL DOCKET
Case #885540
DAMAGES & EXPENSES
(litigation)
1 thru
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
BANKRUPTCY EXPENSES:
Copies/Moving/Credit
SECURITY VAN LINES:
Prior Standard of Care
1954 GMC Antique
MOTORHOME:
MOBILEHOME: Relocation
LITIGATION COPIES 1988
La Real Estate Comm.
St. Tammany Parish
Zoning Verification
LITIGATION COPIES 1989
Investigator/Appraisal
Fremeaux Interchange
LITIGATION COPIES 1990
American Bar Assoc. Conf.
LITIGATION EXPENSES: 1988
Telephone 1988/1989
Gasoline & Travel 1988
1989

[p. 12] (Continuation on October 31, 1990.)

SANDRA SEEFELD:

After having been first duly sworn by the above-mentioned court reporter, did testify as follows:

* * *

MR. BERRIGAN:

This matter was continued from Monday October 29, 1990, at 10 AM until today because of the reason that counsel for plaintiff objected to not being copied with a deposition subpoena duces tecum which requested that various notes, memoranda and exhibits be produced here that they would rely upon and use at the trial to support the allegations basically because she had not had the opportunity to review those. Have you have had time to review them?

MRS. BENEDETTO:

Yes.

MR. BERRIGAN:

What I would like to state is I hope I see nine volumes or collections of papers is that you will be able to specifically identify which document you [p. 13] intend to use at trial or to support your allegations and not just point to them and say this is it, is that agreed?

MRS. BENEDETTO:

I'm not sure I understand your question. These are the documents we are going to be using at trial.

MR. BERRIGAN:

Each and every one?

MRS. BENEDETTO:

Each and every one at this stage and time. This is all the documents we have designated for trial.

MR. BERRIGAN:

You have looked at each one and said as the attorney they should be part of this record?

MRS. BENEDETTO:

Am I testifying here?

MR. BERRIGAN:

You will be if we continue the deposition based upon the fact you wanted to have time to look at each one of these exhibits and say whether or not they were going to be used at trial. You've had time [p. 14] and I don't want to come here and you say here are 5000 documents.

MRS. BENENDETTO:

Mr. Berrigan, I believe the reason we continued was because you did not comply with the rules of civil procedure, all right. Now I needed a chance to confer with my client about the deposition subpoena before I was going to sit here and turn over documents to you. Now you asked in the SDT for the documents that we intend to use at trial and I'm telling you these are the documents we intend to use at trial.

EXAMINATION BY MR. BERRIGAN:

Q. You intend to use each one of those documents at trial? Would you open up the documents – I'm talking to your client. Would you open up the first one and tell me what the first document is there?

A. Summary of actual expenses.

Q. From which year?

A. It's all years from 1984 through 1990 regarding my business.

Q. Okay.

A. It's not all of it.

[p. 15] Q. What do you mean it's not all of it?

A. It's what I compiled to the date of this time.

Q. Okay, to what date?

A. I don't recall exactly what date.

Q. You are going to use this document at trial?

A. Yes.

Q. You do not know what date it was compiled?

A. Well, I've been supplementing as I go along.

Q. Where are the supplements to that document?

A. There isn't any yet. This represents what's in here already.

Q. That document represents what is in the volume? Do you have an identification for that volume?

A. I might suggest something would be a lot easier for everyone maybe if you made a copy of these. You can see the number what it is and ask me like 206 is [p. 16] copyrights, ask me about copyrights instead of ambiguous talking.

Q. I don't want to be ambiguous, I want to be very definite. I would love to make copy.

MRS. BENEDETTO:

I think, Mr. Berrigan, if we could just make a clarification and perhaps this won't seem so overwhelming to you. There are basically three groups of documents, we have documents to substantiate business loss and documents that are proof of – it's comparables of property in the area and documents substantiating the RICO allegations and when you see this there's a bunch of documents such as the document that she prepared about the business loss and behind this is back up.

MR. BERRIGAN:

Thank you.

EXAMINATION BY MR. BERRIGAN:

Q. I'd like to mark as Seefeld One business damages number 200 to 231. Is there a number 100 to 199, Miss Seefeld?

A. I have categorized this and [p. 17] because of the way I was working on this I don't believe there is a 100 to 200. I will let you know at a later date.

Q. Okay.

A. I'm starting 200 to 231 because that's the numbers I had available to me.

Q. Would you open up the book and can I see the book and ask you some questions from it?

A. (Witness handing.)

Q. Summary of actual damages is the first page in your index page, who prepared this?

A. Just myself. All it is is actual expenses, money paid out.

Q. You had no help in preparing this other than this is your own work; is that correct?

A. Correct.

Q. I would like to have that marked and will have copies made of this will be Number Two. 201 shows a registration certificate taxpayer number 07609-0606, Musee de Masquerade; is that correct?

A. Yes.

* * *

[p. 25] MR. BERRIGAN:

Whatever you want to do.

MRS. BENEDETTO:

Are we going to go through each of these documents and ask my client to make a statement about the relevancy of these documents? Because I think that's a determination for the judge to make and I don't think that my client is qualified to make a legal analysis on exactly how these documents are going to be used in trial.

MR. BERRIGAN:

Your client was asked to produce and you have certified that you have reviewed the documents that are on the basis of the subpoena duces tecum and I have a right to question each document. The relevancy is up to the judge but you are not going to come and dump eight volumes and try to stop us from taking a deposition of this lady, she is the plaintiff. If you can tell me, if you could just give me the relevance on the record maybe that would help.

MRS. BENEDETTO:

First of all I'm not here to

* * *

[p. 35] MR. ZASLAV: Just keep going.

BY MR. QUAID: Q. Is there somebody at the advertising fund that directs the placement of advertising like Exhibit No. 1?

MR. ZASLAV: "Somebody?" I think he testified that the National Advertising Fund was a trust. So when you say "somebody at the fund" – I think the question is unclear. Maybe you can restate it so he can answer the question.

BY MR. QUAID: Q. Does the National Advertising Fund have a trustee?

A. The Real Estate Corporation is the trustee.

Q. Is the authority to make disbursements made solely by the trustee?

A. The authority to make disbursements from the fund is granted through a National Advertising Fund Management Committee within Century 21 Real Estate Corporation.

Q. Who makes up that committee?

A. The committee is made up of –

MR. ZASLAV: Can you be more time specific as to when we're talking?

MR. QUAID: In the last ten years.

MR. ZASLAV: You want him to go year by year?

MR. QUAID: Generally, and let's see if there's any [p. 36] exception.

MR. ZASLAV: Why don't we start in 19 – it is your question, Counselor, I'm just –

MR. QUAID: I'm trying to make it easy for him to answer.

BY MR. QUAID: Q. What makes up the advisory committee? Who makes up the advisory committee?

A. It is not an advisory committee, it is a management committee, the National Advertising Fund Management Committee of Century 21 Real Estate Corporation. Generally it is made up of a representative from the legal department of the corporation.

MR. ZASLAV: When you say "the corporation" you mean Century 21 Real Estate Corporation?

THE WITNESS: Yes.

A member of the financial department of Century 21 Real Estate Corporation. One or sometimes two members of the marketing and advertising department. And a member of executive management, normally an executive/vice-president.

BY MR. QUAID: Q. Do you sit on this management committee?

A. Yes.

MR. ZASLAV: When? You mean does he sit on it now?

MR. QUAID: Yes.

* * *

* * *

World's largest real estate franchising organization. Established to provide support system for independently owned and operated brokerage offices, offering int'l advertising, referral system, sales training, management training, national accounts center, client follow-up, etc. Insurance, mortgage brokerage, securities and syndication services are available.

CENTURY 21

2601 S. Main St.
Irvine, CA 92713
(714) 553-2100
Richard Hogue, VP Fran. Sales

HISTORY: IFA Full
Established in 1971: ..... 1st Franchised in 1972
Company-Owned Unit (As of 9/30/88): 0
Franchised Units (As of 9/30/88): 6800
Total Units (As of 9/30/88): 6800
Distribution: US-6200; Can-400; Overseas-200
N. America: ..... 50 States
Concentration: 1000 in CA, 800 in NY, 400 TX
Registered: ..... All
.....
Average # of Employees: ..... 12 FT
Prior Industry Experience: ..... Necessary

FINANCIAL:NYSE
Cash Investment: ..... $
Total Investment: ..... $
Fees: Franchise – $9-19K
Royalty 6% Advertising 2%
Contract Period(s): 575
Area Development Agrmt.: ..... No
Sub-Franchise Contract: ..... No

Expand in Territory: ..... No
Passive Ownership: ..... Not Allowed
Encourage Conversions: ..... Yes
Franchise Purchase(s) Required: ..... No

FRANCHISOR TRAINING/SUPPORT:
Financial Assistance Provided: ..... Yes
Site Selection Assistance: ..... NA
Lease Negotiation Assistance: ..... NA
Co-op Advertising: ..... Yes
Training: ..... 4 Days Headquarters
..... Varies at Sm
On-Going Support: ..... C,D,G,H
Full-Time Support Staff: .....

EXPANSION PLANS:
US: ..... All US
Canada-Yes ..... Overseas-Yes

* * *

CENTURY 21
GUIDE TO
REAL ESTATE INVESTING

1 Benefits of Real Estate Investing

4 Financing Real Estate Investments

6 Determining Value

8 Managing Your Property

Each Office is Independently Owned and Operated

©1987 Century 21 Real Estate Corp.
as trustee for the NAF

Registered Trademark of Century 21 Real Estate Corporation

Benefits of Real Estate Investing

What are the benefits to be gained by investing in real estate?

Real estate potentially offers four benefits or returns to the owner:

A. Cash flow. Successful real estate investments usually produce an income stream that typically increases over time. Many investors base their decision to invest on the cash flow that a property produces but, as you will see, the other benefits of a real estate investment can be substantial and should be considered in investment decision making.

B. Tax benefits. Income producing real estate enjoys many tax benefits. These benefits are first used to shelter the cash flow from the property and then may be used to shelter

income from other sources (subject to the passive loss rules explained later in this booklet).

C. Equity build-up. Real estate investors build equity through repayment of the principal or remaining balance of the loan(s) taken to purchase the property. This is considered a benefit because the principal may be wholly or partially repaid with dollars supplied in rent by the tenants.

D. Appreciation. Appreciation can result from inflation, increases in demand for property or improvements to the property that allows a higher rent level to be maintained. As the income potential is increased, the price that the property can command in the marketplace rises.

How are tax benefits calculated on a real estate investment?

The tax benefits are calculated separately from the cash benefits. Specific items are deducted from the income from the property to determine taxable profit or loss. They are:

A. Expenses incurred in operating or maintaining the property.

B. Interest paid on any loans on the property.

* * *

Determining Value

How do you decide how much to pay for a property?

Investors generally determine what they will pay for a property by comparing the property or the returns from the property with other similar

properties that have recently sold and with properties currently on the market. Three methods are generally used. The first one is based on sales price paid and is called the *comparable method.*

The two other methods that are commonly used to estimate or compare values are based on the income generated by the property. The first is a rule of thumb called the *gross rent multiplier,* and the other is a more accurate approach called the *capitalization rate or "cap" rate approach.*

A. *Comparable method* – This is used mainly for single family residences and land. The steps are:

   i. Locate similar properties that have recently been sold.

   ii. Compare these similar properties with the subject property.

   iii. Make adjustments to the value of your subject property based upon the differences between it and the comparable properties in regard to location, size, age, amenities, and sale date.

   iv. Estimate a value for the subject property based on the adjustments made in step "iii."

B. *Gross rent multiplier* – This method is fairly simple because it is based on the gross income from the property. However, it does ignore variances in vacancy rates, operating expenses, property taxes, and so on, that affect returns from the property. If used with similar properties in similar markets it can be a good indicator of value. The steps are:

i. Use the *comparable approach* explained above to gather the sales prices and annual gross rental incomes of comparable properties.

ii. Divide these individual property sale prices by their respective annual gross rental incomes to generate a gross rent multiplier factor.

iii. Determine the annual gross rental income of the subject property.

iv. Multiply the subject properties' annual gross rental income by the gross rent multiplier factor to determine the subject property's value.

C. *Capitalization or "cap" rate* – The cap rate is expressed as a percentage and represents the current rate of return expected by investors in the market place for a given type of property at a given time. The steps are:

i. Determine the annual gross rental income from the subject property.

ii. Determine or estimate a vacancy and credit loss allowance and subtract it from the annual gross rental income.

iii. Deduct the estimated annual operating expenses from the annual gross rental income to determine the annual "net operating income."

iv. Divide the annual net operating income by the purchase price of the property to determine the "cap" rate.

The cap rate on the subject property can then be compared with the cap rate on recent comparable property

sales to determine if the rate is fair for the type of property in that market area.

Example: How a changing "cap" rate expectation changes an investor's determination of value.

"Cap" Rate Desired	*Net Operating Income*	*Indicated Property Value*
9%	$20,000	$222,222
10%	20,000	200,000
11%	20,000	181,818
12%	20,000	166,667

* * *

CENTURY 21 REAL ESTATE ACTION WARRANTY

In order to provide clients with prompt and efficient service under the terms of an exclusive listing agreement, executed concurrently with this Warranty, Century 21

_____

(name of independent broker)

agrees to perform the following services on the property of _____,

located at _____ in the City of _____ ,

State of _____.

1. To furnish an estimate of the market value of your property based on available market data.

2. To explain how the Century 21 VIP Referral System with more than ___ offices in the United States and Canada can help attract out-of-area buyers.

3. To provide a progress report twice a month, either by telephone or personal visit, on your property's status until sold.

4. To review with you the Century 21 list of twenty-one (21) ways to help do a better job of selling your property.

5. To pre-qualify Century 21 buyers before showing your property to eliminate unnecessary inconvenience to you.

6. To explain how buyers are provided through the Century 21 nationwide multi-million dollar advertising program.

7. To distribute Century 21 brochures regarding your property.

8. To review the Century 21 "Twenty-one (21) Ways to Finance" to help you determine which methods may best help sell your property.

9. To submit your exclusive listing to the local multiple listing system within _____ business days.

10. To order the nationally-known Century 21 colonial yard sign installed on your property within _____ business days.

_____

_____

_____

_____

This ACTION WARRANTY will apply to an exclusive authorization to sell of not less than _____ days. If any terms or conditions contained herein are prohibited by local law, said terms or conditions shall be considered severed from the WARRANTY and of no force or effect.

As the sole remedy for breach of said promises under the terms of this WARRANTY, the seller is entitled to terminate his exclusive listing provided Century 21 ___

is given ten (10) days written notice of the reason(s) for the breach.

We/I the owner(s) of the property located at the above address have read your "Exclusive Service

Warranty" and the contents have been explained to our satisfaction by your representatives.

OWNER'S SIGNATURE	DATE
OWNER'S SIGNATURE	DATE
CENTURY 21 MEMBER BROKER	DATE
CENTURY 21 SALESPERSON	DATE

WARRANTY

In consideration of the employment set forth on the reverse side, Century 21 agrees to:

1. Furnish a "Market Analysis" showing:
   (a) the selling price and financing of similar "sold" properties
   (b) the asking prices and financing offered on similar properties now for sale.
2. Review the "Over 21 Ways a Property May be Purchased" to determine how many methods of financing you may wish to make available.
3. Have our staff inspect your property and submit their opinions of the following:
   (a) the high and low of its Market Value
   (b) improvements designed to create a faster sale at greater profit.
4. Provide periodic progress reports including:

(a) update of "Market Analysis"

(b) feed-back from prospective buyers who have been shown your property, but did not buy.

5. Present a copy of the "Six Factors that Determine How Long it Takes to Sell" and review it as part of the "Periodic Progress Report."

6. Submit all information to the multiple listing service within four days of your determining the final asking price and in the event you exercise your right to cancel this listing, as set forth on the reverse side, we agree to cancel multiple listing.

7. Accurately estimate your selling expenses and net "walk-away" dollars – twice! First when the "Market Analysis" is presented and again when the "Offer to Purchase" is presented.

8. In the event another broker should procure an offer prior to Century 21 doing so, we will provide every service necessary to represent your best interests and to work towards a sale that is satisfactory to you.

9. Make your property the beneficiary of all of our methods of developing prospective buyers.

10. Photograph your property and display nine color photos of all of the features in our lobby showcase until sold.

Century 21®

Each office is independently owned and operated.

THE CENTURY 21® SYSTEM SELLS MORE HOMES THAN ANY OTHER REAL ESTATE SALES ORGANIZATION.

We can find the right buyer for your home.

From coast to coast, the CENTURY 21 system can find more buyers than any other real estate sales organization. And with over 6000 offices, we can find you a buyer across town . . . or across North America.

We can help a buyer find the right financing.

We don't stop at bringing the right buyer to your home. We help them find the best ways to afford it. By showing them how to work out the financing to get the lowest rate possible and reduce their monthly payments. In fact, the CENTURY 21 network has more experience helping buyers and sellers arrange financing than any of our competitors.

The CENTURY 21 system is Number 1 in advertising.

The CENTURY 21 network spends more on national TV advertising than any other real estate sales organization. And then, to make it even easier to sell your home, we back our national campaign with local radio and newspaper ads right in your own neighborhood.

The CENTURY 21 system is best known, most preferred in the industry.

90% of all homeowners and buyers know the CENTURY 21 name – by far the greatest awareness in real

estate. And when it comes time to arrange the sale of your home, prospective buyers prefer doing business with the CENTURY 21 organization by more than 2 to 1 over all our national competitors combined.

The CENTURY 21 system helps sell an average of over 5,000 homes a week by making them affordable.

So before you list your home with any one else, consider this: No one can offer you more experience, better trained people or more expertise at arranging financing than the CENTURY 21 system.

Century 21®

MAKING HOMES AFFORDABLE MADE US NUMBER 1, CENTURY 21™.

EACH OFFICE IS INDEPENDENTLY OWNED AND OPERATED

© 1983 Century 21 Real Estate Corporation, as trustee for the NAF

® and ™ – trademarks of Century 21 Real Estate Corporation

Printed in U.S.C. Equal Housing Opportunity

Gallup Poll Results . . .

(Continued from First Page)

• People want an agent that displays great interest in their personal needs. Agents should gear their presentation to make it clear to sellers that the collective "bigness" of CENTURY 21 is exactly what it is – a benefit that helps attract many more buyers. Stress your personal commitment to working for them.

• According to the survey, the primary service a broker can perform is the ability to figure the value range of a home. Buyers and sellers alike feel their own lack of expertise in this critical area. Become an expert in this area. Talk to appraisers. Learn what they look for. Take classes on this subject. Determine the actual selling price of comparable homes in the area.

• Sellers believe that the Action Warranty is a major reason to list their home with CENTURY 21.

• According to the survey, CENTURY 21 agents should be aware of a major industry-wide homeowner objection to the length of time it had taken to complete prior sales. CENTURY 21 agents should fully explain how they intend to attract buyers, why they can do it better than the competition and follow through to make sure promises are kept.

GOLD CERTIFICATE

Good for one complimentary

MARKET ANALYSIS

of a residential property.

Bearer is entitled to a market analysis of his residential property by a CENTURY 21 agent at no cost or obligation.

Return this certificate or call for an appointment.

Issued by: _____ Phone: _____

CENTURY 21 Office: _____

This offer is good indefinitely! Retain this valuable certificate with your household documents.

CENTURY 21® ADVERTISING LEGAL GUIDELINES AND CHECKLIST

When developing advertising copy there are many legal matters that must be considered in order to protect the consumer and the broker. The advertising in your AD/PAC™ materials has been created with these matters in mind.

When preparing and/or placing an advertisement, you should pay close attention to the following items.

Checklist

1. Is each statement truthful? ____
2. Can the validity of the statement be proven as a practical matter? ____
3. Does the overall impression or message of the ad have the effect of misleading or deceiving a consumer? ____
   - Look to the reasonable impression of the ad by the consumer. Could the consumer be deceived by the headline even though the body copy discloses the truth?
4. Does the ad assert, suggest or imply something to be a fact which is not a fact?
5. Does any statement imply that CENTURY 21 is a centrally owned or controlled company or legal entity? ____
   - CENTURY 21 is not a company.
   - Century 21 Real Estate Corp. is a legal entity.

- Century 21 Orange County, Inc, is a legal entity.
- CENTURY 21 Jane Doe Realty represents a legal entity.
- CENTURY 21 is a network of thousands of locally owned and operated offices.
- CENTURY 21 is a real estate sales organization.
- CENTURY 21 is a system comprised of locally owned offices, brokers, sales associates, the Regions and International.
- Property is listed with a locally owned CENTURY 21 office and is sold by a CENTURY 21 office, broker or sales associate.
- An agency relationship only exists between a consumer and his or her agent.

6. Do any statements or claims place an increased burden on brokers or sales associates or represent a level of expertise which raises the "standard of care" required from a broker or sales associates beyond acceptable levels? ____

- An advertising claim regarding a high level of expertise may result in liability to a broker from an omission to act.

7. Is a commitment, offer, promise or representation made that is not honored by your office? ____

8. Does the use of any statement, phone number, address, name or comparative ad create the potential for a libel or invasion of privacy claim? ____

9. Does any statement imply any unlawful discrimination or intent to discriminate? ____

   – Blockbusting, steering, unequal housing or employment opportunity.

10. Does any statement imply that real estate brokers or associates may practice law? ____

11. Does any statement imply that an "investment" is being offered that may be violative of securities laws? ____

12. Has a testimonial or endorsement been used in an ad which does not represent the experience that a consumer should normally expect? ____

    – Federal Trade Commission Advertising Rules require than any advertisement employing an **endorsement** by a customer, broker or sales associate, will be considered as representative of the service advertised. Any testimonial advertisement **depicting an exceptional situation must contain** a clear and conspicuous statement that either:

ADVERTISING

ADVERTISING STANDARDS

The Broker shall maintain the highest standards in advertising placed by the Office. CENTURY 21 advertising should not contain gimmicks and should never be misleading. The Broker must be prepared to deliver the exact product or service advertised and must insure that all advertising complies with applicable truth-in-lending laws.

BROKER APPROVAL

The Broker must approve the content and placement of all orders for advertising. This includes letters prepared by sales associates on CENTURY 21 letterhead, flyers, mailers and doorhangers.

NATIONAL ADVERTISING FUND

The National Advertising Fund (NAF) is designed to provide the resources necessary to use mass media advertising effectively. Each Office obligated by agreement with the Regional Office shall contribute a sum equal to two percent of the gross income of the Office per month, subject to the minimum and maximum contribution specified in the CENTURY 21 Real Estate Franchise Agreement.

Adherence to the NAF contribution requirements will be strictly enforced. The Regional Office is required by contract with Century 21 Real Estate Corporation to initiate termination proceedings in the event of nonadherence.

REPORTS

Each Office is provided with a written accounting report at least annually of how the NAF has been spent.

NATIONAL ADVERTISING FUND ADVISORY COUNCIL

An Advisory Council has been established to preview and comment upon NAF advertising plans and strategies. The Council functions in an advisory capacity only and has no administrative control over the NAF.

MEMBERS

The country has been divided into seven areas. The NAF Advisory Council is composed of one broker from each area, elected for alternating two-year terms: four members are elected one year and three the alternate year. Members may serve a maximum of two consecutive terms. In addition, three Regional Directors are appointed to the Council by Century 21 Real Estate Corporation. Only the Brokers have voting privileges in the Council.

ELECTION

All Offices current in their contribution to the NAF are eligible to vote for one nominee in their area. Each eligible Office is allowed one vote.

MEETINGS

The NAF Advisory Council meets at least twice each year. Travel, lodging and related expenses of the Council are paid out of the NAF.

COOPERATIVE ADVERTISING

When a Brokers' Council establishes a cooperative advertising program, all Offices which are a part of the Council must participate. To establish such a program, a 2/3 vote of the Brokers' Council is necessary. If a Brokers' Council is not involved, and Offices have decided to share the cost of local advertising, all CENTURY 21 Offices in the advertising area shall be invited to participate. Apportionment of rate, deadlines, publication dates, and method and date of payment shall be set forth in writing.

CLASSIFIED ADVERTISING

FORM The Regional Office of Brokers' Council may require the use of a uniform classified ad layout form when submitting copy for cooperative classified ads.

DEADLINES All Office classified ads must be submitted to the person coordinating ad placement prior to the designated deadline or the Office's ad space will be forfeited.

EDITING The Regional Office does not assume responsibility for checking and correcting information contained in any cooperative classified ad submitted by the CENTURY 21 Office. This is the Broker's responsibility. The Regional Office reserves the right to edit any advertising copy submitted.

MAY
1979

A Neighborhood Professional™
can be your best friend.

S. TEXAS & LOUISIANA •114

We're the Neighborhood Professionals.™
Each office is independently owned and operated.

dhp

June 26, 1987

Cassandra
Ghost-Mart
Slidell, LA

Dear Cassandra,

Sorry for the delay in writing you. As promised, here is the background on my company.

DHP Company derives revenue from two types of sources. The first is commissions on deals in which DHP has acted as licensing agent, bringing together the owner of a property (ie., a trademark) with a manufacturer who incorporates the property into a product. Among others, DHP is currently receiving income on licenses involving WILSON sporting goods (Lewco Corp.), SCRABBLE PEOPLE (Selchow and Righter) and a game known as "Word Track" (Sara Compton). In addition DHP has recently signed an agreement to act as exclusive licensing agent for GARANIMALS children's clothing (Garan Incorporated).

The second and more significant source of income is royalties from product concepts developed by DHP and/or others such as yourself and licensed to toy, gift and stationery manufacturers. Most significant in this category is KEYPERS (licensed through Current, Inc. to Tonka Corporation) HAIR FLAIR (Lewis Galoob Toys, Inc.) and BLABBER MOUTH (Nasta Industries). In addition, DHP has just consummated an agreement with another major toy company for a top line to appear in 1988.

Cassandra, I feel that there is great potential in first segmenting your work into various themes (looks) and then licensing them to manufacturers in various product categories.

DHP's role as your licensing agent would include acting as (1) product development consultant and as (2) licensing agent for your works.

As Product Development Consultant, DHP would:

- Prepare licensed product concepts from your works and present them to potential licensees in categories including toys, gifts, greeting cards, wearing apparel and books.
- Develop merchandising themes from your looks and establish quality control procedures for licensees.

As Licensing Agent, DHP would:

- Segment product categories and target the most desirable licensees for each segment.
- Present the merchandising plan(s)
- Negotiate the business terms of the license on behalf of you
- Develop Cassandra as known resource for ideas and looks within the commercial world of toy, gift, stationery, and other manufacturers.

PROPOSED TERMS OF DHP EXCLUSIVE AGENCY APPOINTMENT

Term of Representation – 4 years

Commission to DHP – 40% of first $1 million in royalties
35% thereafter

Best Regards,

/s/ Douglas Polumbaum
Douglas Polumbaum

enc.

DP/sk

COMPANY BACKGROUND

Founded in 1983, DHP is a product development and licensing company that (1) creates character properties and products and (2) acts as licensing agent/consultant for third party properties.

DHP characters and products have collectively generated over $30 million in merchandise and syndication sales and are projected to reach more than $75 million by the end of 1987. Sales include

- Three character properties for toy companies (Tonka, Galoob Toys, & Remco)
- Over thirty toy, gift and houseware products (NASTA, R. Dakin, Current, Inc.)
- Two lines of children's books (Random House, IJE Kidstuff)
- An animated TV special (Scrabble People)

- A Family Game (Milton Bradley)
- Apparel and Accessories (Union Underwear, Pilgrim Industries)
- Footwear (Sanshoe)

In its capacity as licensing agent, DHP represents trademarks and characters for such companies as Current, Inc., Selchow & Righter and John Blair & Co. DHP has negotiated and secured over 60 separate license agreements on behalf of its clients.

Client List (partial)

Current, Inc.	Selchow & Righter
John Blair & Company	Tonka Toys
Milton Bradley	Lewco
Nasta Industries	Lewis Galoob Toys, Inc.

DARBY & DARBY
Professional Corporation
THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, N.Y. 10174
(212) 697-7660
[Letterhead deleted in printing]

October 19, 1987

Ms. Sandra Seefeld
734 I-10 Service Road
Slidell, Louisiana 70461

Re: DHP Company

Dear Ms. Seefeld:

We enclose duplicates of the (1) Representation Agreement and (2) "Toys from Outer Space" Agreement with DHP Company, as revised per hour discussions with Doug Polumbaum.

If you find them acceptable, please sign both copies of both agreements and return them all to me. Mr. Polumbaum will then sign and return one fully executed copy of each agreement to you.

If there are any problems, please let us know.

Sincerely,
/s/ Andrew Baum
Andrew Baum

AB:1P/4

cc: Douglas Polumbaum (w/encls.)

REPRESENTATION AGREEMENT

REPRESENTATION AGREEMENT made as of the 10th day of September, 1987 between SANDRA SEEFELD a/k/a CASSANDRA ("Seefeld"), an individual residing at 734 I-10 Service Road, Slidell, Louisiana 70461, and DOUGLAS POLUMBAUM doing business as DHP COMPANY ("DHP"), and having his principal office 22 Bacon Road, Roxbury, Connecticut 06983.

WITNESSETH:

WHEREAS, DHP is engaged in the business of representing the owners of literary, entertainment and similar properties, trademarks and trade names, and prominent persons, for the purposes of securing revenues from persons who will be licensed to manufacture and sell articles and services relating to such properties, trademarks and persons, and in the business of representing manufacturers and distributors for the purposes of securing from the owners of literary, entertainment and similar properties, and trademarks and trade names, and prominent persons, licenses to manufacture and distribute articles and services utilizing such properties, trademarks and persons (hereinafter called the "Merchandising Business"); and

WHEREAS, SEEFELD is the author and creator of dolls and stuffed art objects, and of the copyrights and concepts embodied therein (collectively "the Property"); and

WHEREAS, SEEFELD desires to license the Property for use in connection with goods and/or services produced by others, and DHP desires to solicit for and represent SEEFELD in connection with such license agreements; and

WHEREAS, SEEFELD desires to license the Property, for use in connection with goods and/or services produced by others, and DHP desires to solicit for and represent SEEFELD in connection with such license agreements; and

WHEREAS, DHP has conceived of a toy concept tentatively entitled "Toys From Outer Space," has disclosed said concept to SEEFELD in confidence for the purpose of developing a line of doll products based thereon, and has entered into a separate Agreement with Seefeld, also dated as of September 10, 1987, pertaining to her work on said Concept,

NOW, THEREFORE, in consideration of the mutual promises and agreements hereinafter set forth, the parties hereto agree as follows:

1. Appointment of DHP as Representative.

(a) SEEFELD hereby appoints DHP as its sole and exclusive representative, for a period of four (4) years from the effective date hereof, to solicit License Agreements, as hereinafter defined, for the Property, on SEEFELD's behalf, worldwide. Said appointment shall pertain to all of SEEFELD's output of dolls, toys and stuffed art objects, whether now in existence or to be created for the duration of this Agreement, except for

those enumerated in subparagraph 1(c) below, or which incorporate or are in furtherance of the "Toys From Outer Space" concept ("TFOS WORKS"). TFOS WORKS include SEEFELD's designs specifically created for said concept on a work for hire basis, together with such other of SEEFELD's works as may be assigned to DHP, pursuant to the separate Agreement of this date entitled "Toys From Outer Space" Agreement.

(b) It is mutually understood and acknowledged that DHP is in the Merchandising Business generally and that DHP's efforts to negotiate other License Agreements on behalf of other parties, both licensors and licensees, for whom DHP may act as exclusive agent, shall not constitute a breach of this Agreement or an interference with the rights granted herein by SEEFELD.

(c) The exclusive appointment hereunder does not prohibit SEEFELD herself from selling dolls and stuffed art objects made by SEEFELD to all her clients, customers and accounts in the State of Louisiana, and DHP shall be entitled to no commission on such sales.

(d) It is expressly understood that DHP shall not be entitled to enter into any agreements on behalf of SEEFELD. Each and every License Agreement, and the terms and conditions thereof, must be approved and executed by SEEFELD. DHP shall render all services hereunder as an independent contractor, and nothing herein shall be construed to place the parties in a relationship of partners or joint venturers. Neither party shall have any right or power to obligate or bind the other in any manner whatsoever except as specifically authorized in writing.

(e) DHP agrees to use reasonable efforts, consistent with good business practice, in such manner as to obtain the largest gross receipts from the licensing and exploitation of the rights covered by this Agreement as shall be reasonably possible; provided, however, that in no event shall DHP be required to exert any effort not warranted by what DHP in his reasonable business judgment shall deem to be the gross receipts potential of any such licensing or exploitation.

(f) It is understood and agreed that the "Toys From Outer Space" concept is and shall remain the property of DHP. SEEFELD agrees to keep the concept confidential and to disclose it to no one else without the express prior approval of DHP. No. works created by SEEFELD which incorporate or are in furtherance of the "Toys From Outer Space" concept are covered by this Agreement.

2. License Agreement.

The term "License Agreement" as used in this Agreement shall be deemed to include any agreement or arrangement, whether in the form of a license or otherwise, granting rights to anyone to use the Property, or the artwork or concepts in connection therewith, on any goods or services. Any goods or services licensed under any License Agreement shall be referred to herein as "Licensed Products."

3. Compensation of DHP.

As compensation for the services to be rendered by DHP hereunder, and for the expenses incurred by DHP in

connection therewith, DHP shall be entitled a commission of forty percent (40%) of the first million dollars ($1,000,000) in aggregate revenues, and thirty-five percent (35%) of all aggregate revenues above one million dollars, derived by SEEFELD under all License Agreements entered into or substantially negotiated prior to the day of termination of this Agreement (regardless of whether any such License Agreement is approved by SEEFELD prior to or after such date of termination) or pursuant to any extensions, renewals, modifications or substitutions of any such License Agreement.

(b) SEEFELD hereby appoints DHP as her agent for collection of all revenues under all License Agreements. DHP shall remit to SEEFELD her share of revenues with thirty (30) days of receipt of any revenues from any License Agreement, together with copies of any and all royalty reports, checks, voucher receipts and other documentation received from the licensee. DHP agrees to keep accurate books of account and records covering all transactions relating to this Agreement. SEEFELD and her duly authorized representatives shall have the right once a year during reasonable business hours, and upon ten (10) days notice, to examine the same insofar as the same relates to the subject matter of this Agreement, and may make copies and abstracts therefrom.

4. Notice.

For the purpose of any and all communications between the parties with respect to this Agreement, including notices, royalty reports and payments, their respective addresses, subject to change upon written

notice, shall be as set forth on page 1 hereof. Any written communication by registered or certified mail shall be effective as of the date it is mailed and shall be deemed received as of such date, otherwise such written communication shall be effective as of the date it is actually received by the addressee.

5. Arbitration:

Any dispute or controversy arising hereunder shall be submitted to the American Arbitration Association in the State of New York and shall be decided by the Association pursuant to the rules and procedures governing commercial arbitration. Judgment upon the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof.

6. Miscellaneous:

(a) This Agreement cannot be changed or terminated orally and none of the terms hereof shall be deemed to be waived or modified except by an express agreement in writing signed by the party against whom such waiver or modification is sought to be enforced. There are no representations or undertakings other than those contained in this Agreement, which represents the entire understanding of the parties.

(b) All disputes under or relating to this Agreement shall be governed and construed in accordance with the laws of the State of New York.

(c) This Agreement shall be binding upon and inure to the benefit of any and all successors, subsidiaries,

parent corporations, heirs, legatees and assigns of the parties, and it shall be the duty of each party to call this Agreement to the attention of any such party.

(d) Neither party may assign its rights and/or obligations under this agreement without the express prior consent of the other party.

IN THE WITNESS WHEREOF, the parties have executed this Agreement which shall be effective as of the day and year first above written.

DOUGLAS POLUMBAUM d/b/a DHP COMPANY	SANDRA SEEFELD
By _____	By _____
Date: _____	Date: _____

(#4)

"TOYS FROM OUTER SPACE" AGREEMENT

Agreement made as of the 10th day of September, 1987 by and between DOUGLAS POLUMBAUM d/b/a DHP Company, 22 Bacon Road, Roxbury, Connecticut 06983 (hereinafter "DHP"), and Sandra Seefeld a/k/a Cassandra, an individual residing at 734 I-10 Service Road, Slidell, Louisiana 70461 (hereinafter "Seefeld").

WHEREAS, DHP has conceived of, and has revealed to Seefeld, in confidence, his concept (hereinafter "the Concept") for a toy line tentatively called "Toys From Outer Space", and

WHEREAS, DHP desires to employ Seefeld to prepare, under DHP's supervision, direction and control,

tangible materials in connection with the development of the Concept, and Seefeld desires to be so employed; and

WHEREAS, Seefeld has already prepared, under the supervision, direction and control of DHP, certain tangible materials in connection with the development of the Concept; and

WHEREAS, Seefeld has, prior to this Agreement, created certain other works in which she owns the copyright and which may be incorporated by DHP in the development of the Concept; and

WHEREAS, copies of works previously created by Seefeld, some of which were created under the supervision, direction and control of DHP by Seefeld, are attached hereto as Exhibit A;

NOW THEREFORE, in consideration of the foregoing premises and mutual promises hereafter set forth, the parties agree as follows:

1. Seefeld agrees to prepare, under the supervision, direction and control of DHP, drawings, artwork, prototypes, and other tangible materials in connection with the execution and presentation of the Concept.

2. All works created by Seefeld, or by any subcontractor of Seefeld, under the supervision, direction and control of DHP, regardless of whether such works were created prior to the effective date of this Agreement, shall be considered works made for hire, and all copyrights therein shall be owned by DHP. Seefeld agrees to make no claim of ownership or authorship with respect to any such works and further agrees to execute any and all

documents necessary to confirm or transfer ownership of rights in these materials in or to DHP.

3. Seefeld agrees to assign to DHP the copyright in any and all works selected by DHP for incorporation in the development of the Concept, including but not limited to any work included in Exhibit A, and shall promptly execute any and all documents necessary or appropriate to assign to DHP title to such copyrights.

4. DHP shall pay to Seefeld, as compensation for her employment hereunder, and for the assignment of her copyright in any previously created works, fifty percent (50%) of all revenues actually received by DHP from any sale, licensing, transfer or other exploitation of the Concept, worldwide and in perpetuity. DHP shall remit the aforesaid shares of receipts to Seefeld within thirty (30) days of DHP's receipt thereof, together with copies of any and all reports, receipts or other documentation received from the payer of such revenues. DHP shall maintain accurate books and records reflecting all transactions in connection with said revenues, and Seefeld, or her authorized representatives, shall have the right once a year during regular business hours, and upon ten (10) days' notice, to examine the same, and to make copies and abstracts therefrom.

5. DHP shall also pay to Seefeld all of her expenses incurred in connection with the work performed under this Agreement, provided that Seefeld shall obtain the prior approval of DHP for any expense in excess of $200.00. Seefeld shall report all expenses for which reimbursement is claimed under this paragraph in writing, together with copies of invoices and receipts. DHP shall

remit reimbursement to Seefeld within thirty (30) days of receipt of such documentation.

6. Seefeld agrees that all designs, ideas, inventions, discoveries or conceptions which Seefeld has created or conceived of, or shall create or conceive of, which is related to the Concept, shall be and become the sole property of DHP, and agrees to execute, at DHP's request and expense, any applications for patent or other protection, together with assignments and/or exclusive licenses thereof.

7. It is understood and agreed that a confidential relationship is created between DHP and Seefeld. Seefeld agrees to keep confidential, and to disclose to no one without express permission of DHP, the Concept and all tangible materials created in connection with the Concept, as well as any trade secrets, processes, procedures or ideas of DHP which she may learn in the course of her employment. Seefeld further agrees that she will not attempt to sell, license, or otherwise exploit, for her own account, the Concept or any derivative of the Concept.

8. It is acknowledged and agreed that the parties are simultaneously entering into a Representation Agreement, also dated as of September 10, 1987, and that all work product of Seefeld not embodying or relating to the "Toys From Outer Space" concept is covered by said Representation Agreement and not by this Agreement.

9. Any dispute or controversy arising hereunder shall be submitted to the American Arbitration Association in the State of New York and shall be decided by the Association pursuant to the rules and procedures governing commercial arbitration. Judgment upon the award

rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof.

10. This Agreement cannot be changed or terminated orally and none of the terms hereof shall be deemed to be waived or modified except by an express agreement in writing signed by the party against whom such waiver or modification is sought to be enforced. There are no representations or undertakings other than those contained in this Agreement, which represents the entire understanding of the parties.

11. All disputes under or relating to this Agreement shall be governed and construed in accordance with the laws of the State of New York.

12. This Agreement shall be binding upon and inure to the benefit of any all successors, heirs, legatees and assigns of the parties, and it shall be the duty of each party to call this Agreement to the attention of any such party.

IN THE WITNESS WHEREOF, the parties have executed this Agreement which shall be effective as of the day and year first above written.

DOUGLAS POLUMBAUM d/b/a DHP COMPANY	SANDRA SEEFELD
By _____	By _____
Date: _____	Date: _____

(#4)

Federal Rules of Civil Procedure

Rule 8. General Rules of Pleading.

(a) Claims for Relief. A pleading which sets forth a claim for relief, whether an original claim counterclaim, cross-claim, or third-party claim, shall contain (1) a short and plain statement of the grounds upon which the court's jurisdiction depends, unless the court already has jurisdiction and the claim needs no new grounds of jurisdiction to support it, (2) a short and plain statement of the claim showing that the pleader is entitled to relief and (3) a demand for judgment for the relief the pleader seeks. Relief in the alternative or of several different types may be demanded.

Rule 30. Depositions Upon Oral Examination.

(b)(6) A party may in the party's notice and in a subpoena name as the deponent a public or private corporation or a partnership or association or governmental agency and describe with reasonable particularity the matters on which examination is requested . . .

Rule 56. Summary Judgment.

(c) Motion and Proceedings Thereon. The motion shall be served at least 10 days before the time fixed for the hearing. The adverse party prior to the day of hearing may serve opposing affidavits . . .

Rule 83. Rules By District Courts.

Each district court by action of a majority of the judges thereof may from time to time, after giving appropriate

public notice and an opportunity to comment, make and amend rules governing its practice not inconsistent with these rules. A local rule so adopted shall take effect upon the date specified by the district court and shall remain in effect unless amended by the district court or abrogated by the Judicial council of the circuit in which the district is located. Copies of rules and amendments so made by any district court shall upon their promulgation be furnished to the judicial council and the Administrative Office of the United States Courts and be made available to the public. In all cases not provided for by rule, the district judges and magistrates may regulate their practice in any manner not inconsistent with these rules or those of the district in which they act.

Federal Rules of Evidence

Rule 1006. SUMMARIES

The contents of voluminous writings, records, or photographs which cannot conveniently be examined in court may be presented in the form of a chart, summary, or calculation. The originals, or duplicates, shall be made available for examination or copying, or both, by other parties at a reasonable time and place. The court may order that they be produced in court.

Federal Local Rules

2.10 E & W Opposition to Summary Judgment. Each copy of the papers opposing a motion for summary judgment shall include a separate, short and concise statement of the material facts as to which there exists a genuine issue

to be tried. All material facts set forth in the statement required to be served by the moving party will be deemed admitted, for purposes of the motion, unless controverted as required by this rule.